C2700-1 9/22/82

Automotive News

September 20, 1982

© Entire contents copyright, 1982, by Crain Automotive Group, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

58th year—$40 per year, $1.00 per copy

51-day supply of imports is riddled with shortages

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. slipped to a 51-day supply Sept. 1 from a 56-day stockpile a month earlier, resulting in shortages in a number of lines, both Japanese and European.

The inventory of new imported cars totaled 387,780 Sept. 1, compared with 429,663 a month earlier.

The problems of scarcity that many imported-car dealers faced as they moved into autumn was in sharp contrast to the domestic scene, where an 88-day supply of new cars included many heavily overstocked lines.

The inventory of new imported pickup trucks was also down Sept. 1 to 153,032, a 107-day supply, compared with 170,969 on Aug. 1, a 132-day stockpile.

The combined imported car and truck inventory Sept. 1 totaled 540,812 units, a 59½-day supply, compared with 600,632 on Aug. 1, a 67-day supply.

The combined domestic and imported new-car inventory was a 75½-day supply Sept. 1, little changed from 75 days a month earlier.

Strong sales in August ran a number of individual import lines short. Leanest stockpiles were those of Toyota, 22 days; Honda, 24 days, and Porsche, 27 days. Also very lean were Mercedes at 32 days and Volvo at 36 days.

Thus the prospect is that the current sales surge being enjoyed by those lines, plus Saab, Jaguar and BMW, may be dampened by shortages this month.

The inventory of Japanese-built new cars fell to 257,522, a 41-day stock, from 283,566, a 45½-day supply, a month earlier.

Japanese nameplates and their Sept. 1 days-supply figures were: Toyota, 22; Honda, 24; Subaru, 41; Mazda, 55; Chrysler Corp./Mitsubishi, 56; Datsun, 63, and Isuzu, 148.

Interestingly, the Chrysler Corp. stock of Mitsubishi-built cars included a meager 26-day supply of Colts, along with a 52½-day supply of Champs, a 66-day stock of Challengers and enough Sapporos for 101 days.

The stockpile of West German-built new cars totaled 83,262, a 104-day supply, off from 85,597, a 112-day stock, a month earlier.

German nameplates and their Sept. 1 days-supply figures were: Porsche, 27; Mercedes-Benz, 32; BMW, 49; Audi, 154, and imported Volkswagens, 179. VW also had an 85-day supply of U. S.-built Rabbits for a total stockpile of 136 days, down from 156 days a month earlier.

Partly because of production

Continued on Page 33, Col. 3

6000-STE debuts

Leading the Pontiac fleet

Pontiac has appointed the 1983 Pontiac 6000-STE its flagship for the new model year and is pinning its hopes on the highly engineered 6000 to create a different image for the division. Priced at about $13,500, the 6000-STE features six headlamps, special 14-inch wheels with Goodyear Eagle GT 195/70R14 tires, a 2.8-liter two-barrel V-6 with automatic transmission, electronic ride control and an onboard air compressor.

Slippery Sierra

European Ford to bow at Paris show

Ford of Europe will unveil its aerodynamic Sierra at the Paris Auto Salon next week. With a drag coefficient of 0.34, the rear-drive Sierra replaces the sales-leading Cortina/Taunus line in Europe. A performance three-door version and a station wagon are slated to debut early next year.

DeLorean near deal on capital problems

By Edward Lapham
Financial Editor

There were indications late last week that the dilemma facing the sports-car enterprize of John Z. DeLorean was close to resolution, with announcement of a restructuring expected as early as this week.

John DeLorean, former General Motors group vice president who launched the sports-car project, has been trying to arrange a $25 million export financing line of credit plus $10 million in new working capital for the Belfast operation, which went into voluntary receivership in February.

Earlier, DeLorean said he had a letter of intent from the receivers to reacquire the operation. The deadline for putting the necessary financial package together was last Monday, Sept. 13.

Neither John DeLorean nor the receivers were available for comment at press time. However, sources close to the situation said that such a deal was close to consumation but that DeLorean would have a limited role and that Donald Lander, former Chrysler executive who

Continued on Page 34, Col. 3

Automotive News World Outlook projects U. S. car market at 9.2 million for '83

Recovery prognosis guarded; sales forecast cut again

By Edward Lapham
Financial Editor

The prognosis for the U. S. auto industry is guarded.

Several factors, including chronic interest fever, a lack of consumer response to the Reagan Administration's July income tax cut prescription and metastasized consumer pessimism, have combined to prolong the illness.

The combination of these factors has delayed recovery, according to the most recent Automotive News World Outlook, reducing the 1982 U. S. new-car sales forecast to 7.9 million units and the 1983 forecast to 9.2 million units.

It is the third consecutive time the outlook has been lowered due to economic conditions which refuse to improve at an acceptable rate. In the last ANWO in June, prior to the tax cut which was expected to generate additional consumer activity, U. S. car sales were forecast at almost 8.4 million units for 1982 and more than 9.5 million units for 1983. The 1981 total was about 8.6 million.

The Automotive News World Outlook, a joint venture by Automotive News and Data Resources, Inc., also indicated that if economic conditions do not begin to improve almost immediately, there is every possibility that sales expectations for 1983 will have to be lowered yet another time.

"The downside risks continue to be substantial both in terms of probability and magnitude," said John Hammond, manager of DRI's U. S. automotive service. "At the same time, chances for improvement on the upside are small.

Hammond said the outlook will continue to deteriorate "if events continue to unfold as they have" for the past several forecast periods.

"If the recovery doesn't really begin soon, we could lose as many as one million additional units out of the 1983 forecast," he said. "The upside potential is at best maybe 400,000 or 500,000 units."

• Otto Eckstein, DRI chairman, said the most recent macroeconomic forecast "reflects the sudden downturn in interest rates and a reassessment of the financial outlook in light of the enactment of a compromise bill" plus "downward revisions in the financial market's expectations of U. S. economic growth and inflation."

He said that currently "signs of economic recovery are elusive," although the forecast did show "a significant lower pattern of short-term interest rates over the next two years and return of a normal yield curve" in financial markets.

Tempering the unpleasant short-term auto outlook was some other news, at least mildly positive, about the general economic condition.

Eckstein said lower interest rates are "a key factor" in sustaining the economic recovery

Continued on Page 33, Col. 4

breaking news

Nissan delays Ambivan for U. S.

TOKYO. — Nissan Motor Corp. is putting its Ambivan (a van-like vehicle based on the Stanza platform) on indefinite hold for the U. S. market. Sources say uncertainty over import restrictions is responsible. The vehicle, which was introduced to the home market under the Prairie nameplate, was scheduled to be launched in the U. S. next April as an '83½ model.

Le Car incentives modified

DETROIT.—Renault Le Car price reductions of $200 on the '82 base 3-door, and $300 on the Deluxe 3-door and 5-door have been extended to Nov. 15 from Sept. 21. In

See BREAKING NEWS, Page 8, Col. 1

er
4520 EAST-WEST HIGHWAY
SUITE 800
CONGRESSIONAL INFO SERV
ACC EDITOR
DC20014CNGLIAO CEA FMJT
AN
WASHINGTON DC 20014

Chrysler Corp. joins in experiment which could change the way cars are sold

Dodge dealer opens sales office in shopping mall

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES. — In a test that could alter the way cars are sold in the U. S., a suburban Dodge dealer is opening a showroom and sales office in a Torrance (Calif.) shopping mall. Torrance is a suburb of Los Angeles.

Del Amo Dodge, owned by James B. Clark, will have a 5,000-square-foot store staffed by five sales representatives in the Del Amo Fashion Center, a 12-year-old mall with more than 350 shops and more than two million feet of floor space. The new facility will be operated as a satellite to Clark's dealership.

"Auto makers have always found it advantageous to display their products in shopping malls, but this is the first time one has planned an actual sales operation in a major shopping complex," said Tom Pappert, Chrysler sales vice president.

Del Amo Dodge's new showroom is the first of two or three similar test operations that Chrysler will be establishing in other major markets.

"With the increasing cost and limited availability of land for dealership facilities, auto makers are going to have to look for new ways to maintain adequate market representation," Pappert said.

"Chrysler feels that the mall concept is certainly one alternative avenue worth exploring."

More important than the cost of opening and maintaining a dealership, the move is viewed as a way for car makers to take their wares to where the people are.

"We can deliver thousands of prospective car purchasers each day," said Guilford Glazer, developer of the Del Amo Fashion Center.

Glazer approached Chrysler with the concept and worked closely with the company to open the new store.

"When people come to the mall to shop for shoes, home furnishings or stereo equipment, there's no reason they can't look at a new car too," he said.

Glazer estimates that as many as 30,000 people pass through his mall each day and that during a typical weekend, 80,000 to 90,000 shoppers may visit the facility.

• "You get husbands and wives shopping together," Glazer said, indicating that it is important to have both in the showroom since almost all high-ticket-item purchases are joint decisions.

By reaching more shoppers, the dealer's overhead per walk-in customer is lower. Pappert estimated that each walk-in customer at a dealership today represents a cost of $76.

Ostensibly, the goal is to sell more cars, although Pappert feels visibility is very important.

"What we're looking for is consideration," he said. "When we get on people's shopping lists, we do better than the national average in sales penetration."

The new showroom is expected to open by the end of October. The outlet will be able to provide on-the-spot delivery of new vehicles and appraisal of used cars.

Clark said demonstrators will be kept in the mall's parking lot so prospects will be able to take test drives. Service work will be done at Del Amo Dodge, which is less than a mile from the mall.

Approximately 10 to 12 cars will be displayed on the showroom floor, and the shopping center's management has made provisions for several additional cars to be displayed elsewhere in the mall with signs directing customers to the showroom.

"It's a cooperative effort," Pappert said. "We've reviewed the project with the National Dealer Council and we're going to keep them (dealers at mall sites) within their census tracts."

Del Amo Dodge sold 1,800 new cars and trucks and 800 used vehicles last year.

First Shelby/Chrysler car

The Dodge Shelby, a specially modified Dodge Charger 2.2, is the first of several performance cars that famed auto racer/designer Carroll Shelby is developing for Chrysler Corp. In addition to the graphics, the Dodge Shelby will have some suspension and powertrain changes. It is due in several months as an '83½ model.

Its 50-MPG city rating noses out challenge from Nissan Sentra

Diesel Rabbit retains MPG crown

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — It looked close for a while, but Volkswagen has again walked off with top fuel economy honors this year, bringing in its trusty diesel Rabbit 4-speed with a new fuel economy record of 50 MPG for city driving.

Challenging the diesel Rabbit for the '83 model year was Nissan's new diesel Sentra. First reports had it taking the title from VW with a 49-MPG number in city driving, but final results showed the diesel Sentra 4-speed at 48 MPG. Impressive, but 2 MPG short of the Rabbit.

Imported cars took all of the top 10 places in the MPG ratings for '83 models.

Had it not been for development of some new technology by VW, there would have been a tie this year.

The new twist is engine shutoff and freewheeling governed by microcomputer, technology shown off earlier in VW's experimental high-fuel-economy Rabbit built under aegis of the West German government.

Activated when the vehicle is braked, freewheeling and engine shutoff is discontinued when the accelerator is depressed. In the EPA test cycle, the system is good enough to produce a 2 MPG fuel-economy improvement, enabling VW to retain the crown in this year's fuel-economy derby.

The EPA also gave VW 2 MPG credit for its upshift light, but this cannot be counted against the performance of the Sentra because the agency credits Nissan with fuel economy resulting from the different shift speeds Sentra owners are likely to use.

• Tying the Nissan Sentra diesel for second is the very same Rabbit diesel 4-speed that took the title last year.

In fourth place is the first gasoline-powered car, the Honda Civic 5-speed with a 46-MPG city average.

Following the Honda are the Isuzu I-Mark 4-speed diesel, Toyota's gasoline-powered 1.3-liter 5-speed Starlet and the Nissan Sentra 5-speed version of its diesel. All had city ratings of 44 MPG.

Next in line at 43 MPG are three Volkswagens — 5-speed versions of the new turbodiesel Jetta and Rabbit models and a 5-speed version of the normally aspirated Rabbit diesel.

General Motors came close to the Top Ten with dieselized versions of its Chevette and Pontiac 1000. They managed 42 MPG, but then it's down to 37 MPG before the "domestics" show up again. The Renault/AMC Alliance and the Chevette/Pontiac 1000 automatic diesels attained that number.

At the bottom of the list for '83 is the Maserati Quattroporte with what now seems an astonishing 8 MPG average. It is barely below the Rolls-Royce Camargue and Corniche which got 9 MPG city averages.

The EPA reports only city numbers from its fuel-economy testing but does generate highway fuel-economy numbers which manufacturers frequently use in advertising their cars.

For 1983, the highest-rated automobile for highway mileage is also the VW diesel Rabbit equipped with freewheeling and automatic engine stop/start.

And the number: A remarkable 67 MPG!

Chairman says car-truck sales could hit 14 million rate late in '83

GM's Smith sees strong recovery

By Jenny L. King
Staff Writer

In a tone of optimism and confidence, General Motors Chairman Roger B. Smith set the autumn pace for Detroit and the country by predicting a greatly improved national economy and combined new-car and truck sales possibly reaching an annual rate of 14 million units in 1983.

Smith told the 1,525 persons attending the first meeting of the Economic Club of Detroit's 1982-83 program year that the recession not only has bottomed out but that a substantial turnaround is in progress.

"There are increasing signs that the economy is poised for an upturn — in fact, it has already begun," he said.

"I predict that the American automobile industry will play a pivotal role in this expected expansion . . . the annual sales rate in the U. S. auto industry has the potential of approaching 14 million cars and trucks by the end of the 1983 model year," Smith said.

The chairman's message was both a kind of keynote for the program year and the 1983 domestic new-car model year, and it came just three days before the beginning of GM's 75th anniversary year celebration, Sept. 16.

New policies taking effect in Washington must be believed by the investment houses on Wall Street before the economic upturn will truly be under way, especially for the auto makers, Smith said. He claimed the auto industry will again be a major player in the game.

• "The trend coming from Washington toward a healthier economy is not just a flash in the pan," Smith said, naming the dramatic drop in the prime interest rate (from 20 percent to 13½ percent in a year), the drop in the rate of inflation, stabilizing of employment and upemployment and tax bills past and present which positively affect the competitiveness of American business.

"I would find it difficult to name a single major industry in the U. S. that is not being seriously challenged by foreign competition today," he said. He enlisted the national effort of the business community, organized labor and government to meet and challenge and maintain U. S. leadership.

Smith said GM is concentrating its energies in several areas including quality control—from the raw materials purchased through the manufacturing process — increased productivity, adoption of the "Just-In-Time" inventory system used by the Japanese and greater cooperation with its labor forces.

Talking with reporters before the luncheon, Smith said, "Our product line and prices are where they should be—the pricing was a dramatic step." The price of an average-equipped GM car climbed 1.9 percent for '83 models, and some models were reduced.

"Everything is in place for us to lead the country out of the recession," he said. "I see things beginning to move by the end of October, when all the (U. S.) products and prices are on the table."

• Smith said the GM-Toyota agreement, in which the two giant companies will cooperate in the design and production of a small car to be built in this country, is forthcoming.

He said GM needs this agreement with the Japanese to "cover the short-term. We can't meet the market and keep our costs down. This is not an unusual move for us — our LUV pickup

Continued on Page 34, Col. 5

index

Auction reports	24
Classified advertising	26
Editorial page	12
Truck highlights	10

58th year — No. 4933

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson Avenue, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Now five-speed is standard

The Renault 18i has a fuel-injected 1.6-liter engine with five-speed manual transmission as standard for 1983. The standard axle ratio has been lowered to 3.44:1 from 3.78:1 for improved efficiency. The Deluxe version of the 18i becomes the standard model and includes some features not previously offered at the base price.

Customers not cooperating—they're buying bigger cars

GM may tap its CAFE reserve

By Roger Rowand
Engineering Editor

General Motors said it may not meet its Corporate Average Fuel Economy (CAFE) requirement in the 1983 model year. It may be forced to dip into its bank account of credits earned in past years to avoid a huge fine.

The problem arises from the fact that large cars are selling at rates far higher than anticipated. Small cars, ones that help with CAFE, are lagging.

Betsy Ancker-Johnson, vice president in charge of the Environmental Activities Staff, indicated CAFE for light trucks will be met without credit withdrawal.

"It may be necessary to draw on past fuel-economy credits to meet the standard for cars," she said.

"GM has made the investments in new products and production facilities to exceed the 26.0 miles per gallon standard for cars, but current market conditions and low fuel prices may alter the product mix as it has done in previous years," she said.

Others in Detroit point to slumping sales of GM's high-MPG J-car and its diesels as major reasons for the problem.

A manufacturer earns a three-year credit account by exceeding the Energy Act standards which started at 18.0 MPG in 1978, ran up to 24.0 MPG in the 1982 model year and go to 27.5 MPG in 1985.

If a maker misses CAFE, it faces a fine of $5 for each tenth of a mile it is short times the total number of cars it made that year.

Conversely, if it exceeds CAFE, it earns credits the same way—$5 per tenth of a mile times production.

A company is not assessed the fine until three years after the year in question, so in effect, there is a carry-forward provision as well as a carryback provision.

Use of that formula would indicate GM earned credits in 1982 of 0.2 MPG, in 1981 of 0.2 MPG and in 1980 of 0.9 MPG.

As recently as early August a top GM officer told Automotive News the company would make CAFE for both cars and trucks. He said it would be close but said he was confident the product mix would allow GM to hit the CAFE requirement.

Ancker-Johnson said fully half of all the 1983 GM models will average 26 MPG and many will exceed that.

It is expected GM will close the 1982 model year with a Corporate Average Fuel Economy figure of 24.2.

There is another type of offset credit for fuel economy available to manufacturers. That one is for installation of shift indicator lights (SILs) which have been shown to boost mileage significantly.

But no firm policy on how SILs will be treated for credit purposes has been formulated as yet in Washington.

SILs are different from other mileage devices because their effect is based strictly on driver choice.

An SIL is a dash-mounted prompter that tells the driver an upshift can be made. Most other fuel-economy boosters — for which policy stands — are mechanical devices and the driver plays a passive role in their use.

Volkswagen began offering SILs late in the 1981 model year in a test fleet. In the 1982 model year, it earned a fuel economy credit of about 7 percent with broad use of the lights.

Ford Motor Co. will offer SILs in 1983.

The EPA is studying alternatives for future policy. Until now, it has been treating SILs and economy credits on a case-by-case basis. Because of a proliferation of devices and interest, EPA officials say they feel the agency can't continue on the case-by-case route.

EPA has asked industry members for help in devising a way of handling credits and new-car window sticker information. It is a tough problem, those involved agree.

Said one EPA official as he spoke with a group of manufacturer representatives: "Regulatory agencies are always accused of deciding what's right and shoving it down industry's throat. In this case, we didn't even see a sensible solution we could shove down your throats."

Eldorado Touring Coupe

Returning for '83 is the Eldorado Touring Coupe, which was introduced last year. The package features special ornamentation and black-finished windshield reveal moldings, quarter window channel holdings and windshield wipers. Headlamp and tail-lamp bezels and wheel opening moldings are body-colored. Aluminum wheels also are included.

UAW local-content bill takes big step forward

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The refurbished UAW-backed bill to require U. S. content in varying degrees for large-volume sellers of cars in the American market won approval and a favorable report from the House Energy and Commerce Committee last week.

Thus, the bill whose aim is to force big importers like Toyota and Nissan to build plants in the U. S. and to limit outsourcing by the domestic makers took a big step toward House passage in the dying days of this Congress.

The report will be filed by midnight today (Sept. 20), and the House Trade Subcommittee (to which the bill was also referred) will probably start hearings almost immediately. Opposition there is expected to be strong and as long drawn out as House speaker Tip O'Neill will allow.

While this may be a "media event," especially if General Motors and Ford Motor Co. can be persuaded—or forced—to abandon their neutral stance — the reality is that a bill promising jobs in the severely depressed auto industry is politically unbeatable.

Opponents include a wide assortment of farm interests and all auto importers and major exporters plus the Reagan Administration. They feel certain the Republican Senate—and, if push comes to shove, a Presidential veto—will stop the bill from becoming law this time around.

But barring an extraordinary recovery in the auto sector, the stage will be set for a major battle in the next Congress. As in all depressions, survival becomes paramount and the difference between job preservation and outright protectionism and diminution of competition becomes wafer-thin.

Opposition in the Energy Committee came chiefly from Rep. William Dannemeyer, California Republican, and Rep. Philip Gramm, Texas Democrat. Both are conservatives.

They had impressive supporters and strong philosophical arguments but lacked the votes. Chief proponents were Rep. John Dingell, Michigan Democrat and committee chairman, and Rep. Richard Ottinger, New York Democrat, who had the unceasing efforts of the UAW

Continued on Page 34, Col. 1

UAW, Chrysler reach tentative agreement

By Marjorie Sorge
Labor Editor

The UAW and Chrysler Corp. reached a tentative agreement last week which provides both cost-of-living-adjustments and wage increases.

"This tentative agreement achieves our principal goal — to start Chrysler workers on the long, long road back to parity with workers at General Motors and Ford," said UAW President Douglas A. Fraser.

Chrysler workers made over $1 billion in concessions in the last contract to help the company qualify for federal loan guarantees.

Thomas W. Miner, Chrysler industrial relations vice-president, said the company is "very, very pleased with the agreement, it was as good as we could make it. For the short-term we have a settlement which will put some dollars into our people's pockets. They deserve it after three rough years."

The contract covers 50,600 hourly and salaried workers and 41,000 workers on indefinite layoff.

It consists of a one year agreement on wages and benefits and a two-year pact on non-economic issues such as work rules, absenteeism, worker representation and seniority.

The tentative agreement was reached 6 hours and 16 minutes after a strike deadline at midnight, Sept. 15. The contract had run out at midnight Sept. 14, but was extended for 24 hours.

However, strikes were not averted at St. Louis, Jefferson Ave. (Detroit) and Newark (Del.) assembly plants. Other Chrysler parts operations also went out.

Fraser said he would recommend those strikes be ended.

Both Fraser and Miner said the contract is "modest" and the best that would be done in tough economic times.

While neither would say how much the new contract will cost, Miner said the company can afford it "based on our profit projection for next year."

However, they both indicated that Chrysler will make a profit in the third quarter. And, according to Fraser, profits for the year should be high enough to generate payments out of the profit-sharing plan negotiated in the last contract. It would be the first such payment. Chrysler made a $106.7 million profit in the second quarter.

Fraser also said, the prospect for greater profit sharing in 1985 is "very promising."

Under the new contract, workers also will get three quarterly lump sum COLA payments beginning in December. Based on a 6 percent inflation rate, that would generate 16 cents in the first quarter and 17 cents in both the second and third quarters for a total of 50 cents.

The UAW would like to fold that 50 cents into the hourly rate when a new economic package is negotiated next September, Fraser said. There is no provision for the fold-in in the tentative agreement, according to Miner.

The COLA formula is based on a one cent increase for every 0.26 percent change in the combined U. S.-Canadian Consumer Price Index. Ford and General Motors have the same formula.

Workers at Chrysler gave up COLA in March, 1981, to help Chrysler quality for federal loan guarantees. The resumption of

Continued on Page 6, Col. 4

Domestic total of 107,423 is 29 pct. below '81 figure

Early-Sept. sales lowest since 1972

By Jenny L. King
Staff Writer

The early-September domestic new-car sales drop was the 10th consecutive down period for the U. S. auto makers and brought to 20 the number of 10-day segments in 1982 in which retail sales did not meet or beat year-ago-levels.

The daily selling rate Sept. 1-10 was only 13,428, lowest so far this calendar year and down 28.99 percent from 18,910 a year earlier. There were eight selling days both years.

Sales totaled 107,423, down 28.99 percent from 151,281, and lowest for any 1982 period since 101,199 reported for the first 10 days in January. This was the poorest early-September since 1972, when 103,697 new cars left dealerships.

General Motors reported a sales drop of 30.29 percent, sliding to 65,883 units from 94,505 last year. It was GM's smallest total since the early-July period when 61,855 new cars were delivered. Ford Motor Co. was down 22.94 percent, to 25,491 from 33,081.

Chrysler Corp. sales of 12,853 were down 29.85 percent from 18,321. It was Chrysler's poorest 10-day total of the year. Volkswagen of America was down 42.97 percent, to 1,696 from 2,974, while estimated sales of American Motors passenger cars numbered 1,500, down 37.50 percent from 2,400 a year ago.

DOMESTIC SALES

	Sept. 1-10, 1982	Sept. 1-10, 1981
AMERICAN MTRS.	1,500†	2,400†
Chrysler	3,853	2,286
Imperial	32	39
Plymouth	4,322	8,068
Dodge	4,646	7,928
CHRYSLER CORP.	12,853	18,321
Ford	16,843	23,976
Mercury	6,755	7,709
Lincoln	1,893	1,396
FORD MOTOR CO.	25,491	33,081
Buick	13,030	19,696
Cadillac	4,112	6,003
Chevrolet	25,297	33,657
Oldsmobile	14,728	20,781
Pontiac	8,716	14,368
GENERAL MTRS.	65,883	94,505
VOLKSWAGEN	1,696	2,974
INDUSTRY TOTAL	107,423	151,281

† Estimated

GM earned 61.33 percent of the early-September market, down from 62.47 percent in 1981. Ford sales earned it 23.73 percent, up from 21.87 percent. Chrysler dipped to 11.96 percent from 12.11 percent. VWoA had 1.58 percent, down from 1.96 percent, leaving AMC just 1.40 percent of the total, down from 1.59 percent a year ago.

Chrysler and Lincoln were the only domestic makes to show sales gains during the period. Chrysler climbed 68.55 percent, to 3,853 from 2,286 last year. Lincoln was up 35.60 percent, to 1,893 from 1,396.

Plymouth was down 46.43 percent, Imperial was down 17.95 percent and Dodge was off 41.40 percent. Ford was down 29.75 percent and Mercury was off 12.38 percent.

Buick dropped 33.84 percent, Cadillac was down 31.50 percent, Chevrolet was down 24.84 percent, Oldsmobile was down 29.13 percent and Pontiac plunged 39.34 percent.

Year-to-date sales reached 3,881,566 by Sept. 10, down 14.85 percent from 4,558,642 a year earlier.

Light trucks weaken; so do August sales

A softening in the light-truck market in August, coupled with continued weakness in demand for big trucks, resulted in the sharpest decline in monthly retail sales since last December.

During the month, according to preliminary reports, franchised dealers and factory outlets retailed 184,843 units, a decrease of 11.5 percent from the 208,785 sold in the same month a year ago.

For the first eight months of 1982, however, sales were up 7.5 percent to 1,721,021 units, with only medium and heavy trucks running behind the year-earlier pace. Through August last year, 1,600,470 trucks had been retailed.

Light trucks were down 9.8 percent during the month to 170,849 units, compared with 189,471 a year ago. The non-captive imported compact pickups, however, were up 6.4 per-

Table on Page 22.

cent as a group, from 29,430 sales in 1981 to 31,327.

Only 3,876 medium trucks were retailed in August, off 44.9 percent from last year's 7,035, which was a far cry from deliveries made in pre-recession days.

• In August, 10,118 heavy trucks were retailed, a decline of 17.6 percent from last year's total of 12,279.

Through August, sales of light trucks showed an increase of 10.6 percent to 1,590,251 units, compared with 1,437,754 in the first eight months of 1981.

The eight-month medium total plunged 44.2 percent, from 56,549 units a year ago to 31,543. Heavies totaled 99,236 through August, a decline of 6.5 percent from the year-earlier 106,167 vehicles.

Sales of compact pickup trucks were up for August and the eight-month period.

During the month, 67,957 units were retailed, an increase of 46.4 percent over the year-ago 46,429. Through August, the total was 499,122 units, also a gain of 46.4 percent over the 340,818 sold in the like period in 1981.

August sales of the domestic compact—Chevrolet S-10, GMC S-15, Ford Ranger, Dodge Rampage, Jeep Scrambler and Volkswagen — totaled 30,760,

Continued on Page 22, Col. 3

'Finest Sportscoach ever'

Sportscoach Corp. of America, Elkhart, Ind., calls the Sportscoach III "the finest motor home Sportscoach has ever introduced." It features a white exterior with graphics color-coordinated with interior decors. Other highlights are a custom-designed grille incorporating the hood and headlights, custom chrome wire wheel covers and anodized aluminum trim.

RVIA plans workshops at show in Louisville

CHANTILLY, Va.—The Recreation Vehicle Industry Assn. will sponsor five dealer-management workshops and a motivational seminar at its 20th annual national RV show Nov. 30-Dec. 3 in Louisville.

John Casey, president, Shurflo, Anaheim, Calif., and chairman of RVIA's National Show Committee, said "the workshops and seminar will zero in on dealers' needs and interests and are aimed at helping them fine-tune their profit potential and be more successful."

The workshops will be held the afternoons of Nov. 30 through Dec. 2), and are scheduled so dealers can attend more than one.

Topics are Getting and Keeping Wholesale and Retail Credit, Small Business Computers in the RV Dealership, Women in Business, RV Rentals—Opportunities and Pitfalls and Merchandising Parts and Accessories.

The seminar on credit will be conducted by Robert L. Berner, Citicorp executive and RVIA Finance Committee chairman, and Gordon E. (Mike) Gilbert, Coachmen Industries, and Robert R. Rawlings, CIT Financial Services, committee members.

They will give advice on how dealers can start and maintain long-lasting relationships with lenders.

Eric Haas, Raxis International, Indianapolis, will speak at the computer workshop and will instruct dealers on the value and usefulness of business computers in RV dealerships of all sizes. He is expected to focus on using computers to maximize sales leads and implement rapid credit checks.

Speaking on women in the RV business will be Fran Van Pelt, who for the last 10 years has owned and managed Outdoor World, Inc., an RV dealership in Aurora, Ill.

The motivational seminar for dealers, scheduled Dec. 2, will feature Joe Girard, the self-styled "World's Greatest Salesman."

Upturn expected in attendance at RV show on coast

CHANTILLY, Va.—More than 120,000 potential buyers and 3,000 RV dealers are expected to attend the 30th annual recreation-vehicle and manufactured-housing show Nov. 3-14 at Dodger Stadium in Los Angeles.

Kay Toolson, sales vice president, King's Highway Mobile Industries, Inc., Compton, Calif., and show chairman, noted that last year's public gate was 115,000 people.

"We're predicting even more this year because it's been a good year for the industry and because the show is operating with a bigger advertising budget than ever before," she said.

The show is sponsored by the Recreation Vehicle Industry Assn., and the Western Manufactured Housing Institute. There will be about 600 recreational vehicles and 50 manufactured homes on exhibit, and nearly 200 supplier booths displaying the latest in parts and accessories.

Trade days are Nov. 3-5, while the public is invited Nov. 6-14.

A highlight of this year's show will be a dealer-management workshop on financing, scheduled for 9 to 11 a.m., Nov. 4 at the Stadium Club. Speakers will be Robert L. Berner, Citicorp Executive and Chairman of the RVIA Finance Committee, and Gordon E. (Mike) Gilbert, Coachmen Industries, and Robert R. Rawlings, CIT Financial Services, committee members.

The workshop will focus on how dealers can nurture long-lasting relationships with lenders. The seminar will be repeated at RVIA's 20th annual national RV show in Louisville.

recreation on wheels

Sales not great, but profits hold

Kansas City picture pleases RV dealers

By Grier Lowrey
Staff Correspondent

KANSAS CITY, Mo. — Nobody's dancing in the service bays, but RV dealers around here aren't unhappy as they review the pattern of business rising from spring and summer sales. They've gleaned a few impressions on how to project for fall, winter and next year.

Gross and net profits were up at most dealerships. Tightening overhead expenses, cautious buying and realistic pricing helped boost profits. Grosses soared at some used RV marts.

With an exception or two, demand for new RVs didn't match expectations. Traffic was brisk on the lots and buyers showed interest, but in too many instances they couldn't afford the deal.

The upshot was that they turned their attention to used units. Dealers with a large selection of reconditioned units prospered, especially those who search actively for used RVs and then spend $500 and up to refurbish them.

These dealers, however, are encountering a problem: Good used units are harder to uncover, and they pay more for the ones they find. But then, they simply asked and got more for them.

Dealers with decent service facilities report higher service and parts incomes. This business was fueled by insurance work stemming from an unusual number of spring and summer hail and windstorms.

• What's selling? It depends on your source of information. Seemingly, it's a mixed bag.

At an auto dealer's RV center, van conversions with all the amenities, priced at $21,000, did well. They sold to people-haulers, spectator-sports tailgaters and to companies.

The "sleeper" at another dealership was the wide-body van. One dealer is banking on smaller-sized travel trailers in the 16-to-22-foot range because the towing capability of small-engine autos won't handle larger sizes.

Sales of the big motor homes have been spotty. New mini homes fared better and used minis have been hot. Sales of fifth-wheels edged up at several places. Folddown trailers can't be overlooked. They're priced for the current economy and have a lot of other features going for them, such as convenient storage.

It's hard to rent or lease an RV in Kansas City. Replacement costs forced several deal-

Continued on Page 22, Col. 1

Bentley places stress on safety in Skyview van

ARLINGTON, Tex. — Bentley Corp., producer of Good Times and Venture van conversions, places the emphasis on safety in its new model—the Skyview, which features a fiberglass raised-roof design.

The Skyview interior has an additional 21 cubic feet, providing more storage space and allowing an average-sized person to stand up inside.

"This model will be most popular with people interested in a mini motor home," said Jim McDonald, Bentley general manager. The Skyview will be available on all chassis—Ford, Chevrolet, Dodge and GMC.

"Safetywise, the Skyview is structurally more sound than the typical raised-roof converted van," McDonald said. "We don't completely eliminate the original roof.

"We leave about three feet in the front, over the driver and passenger, and about two feet in the back. The raised section incorporates what essentially are roll bars that are bolted into the roof of the van."

The raised-roof design also includes a high-impact, molded ABS plastic interior.

"It's not just pieced together," McDonald said. "The lighting in the roof is fluorescent and there is storage space on both sides."

Bentley, which expects to reach $30 million in sales this year, anticipates that the Skyview will make up approximately 7 percent of its output, McDonald said.

Red Rangers go to a ball game

More than 100 white-striped Red Rangers stand by at Busch Memorial Stadium for Ford Division's St. Louis district 1983 "Special Driveaway." Many district dealers were "tailgating"—having a box lunch on the back of the pickups—before attending a St. Louis Cardinals baseball game.

Skyview 'raises the roof'

The Skyview van conversion features a fiberglass raised-roof design, providing more interior storage space and allowing an average-size person to stand up inside. It is offered on all van chassis.

Gross and net profits up at most dealerships

RV market rising in Kansas City

Continued from Page 10

ers prominent in leasing out of that ballgame last year.

The year's been good to the few dealers who carry a selection of used units. Bill Roach, Riviera Trailer Sales, Kansas City, is one of them.

"See that 1977 minihome out there at the front?" he said. "We're asking $17,950 for it. That's $3,000 more than it sold for new. We'll get our price. There's no letup in the used market.

"Two years ago, we were earning about $2,000 profit on units we had about $10,000 in," he added. "Last year, our gross profit ran about $3,000 in the same bracket. This year, we've realized a good $4,000 on RVs in that range."

"Along with inflation, the two or three price increases on new units in the past year forced used-unit prices upward," Roach explained. He added:

"We've had to pay 10 to 15 percent more for used RVs we've obtained this year from private owners, car outlets and other sources. And because of the improved price situation, private owners and the car dealers are more likely to do their own selling.

"It's getting tougher all the time to fill out my used selection, and I spend an hour or so every morning checking out 'for-sale' sections in classified advertising and making phone calls," he said.

Roach said his dealership moved 98 new and used RVs in the first six months of 1981. This year, he added, the figure edged up to 115 units, with profits from reconditioned units doubling.

It took used units to haul the volume up at the Olathe (Kan.) Ford RV Center. Jim Frum, sales manager, said sales of new RVs were soft in the first half.

"It happened time after time on our lot," he said. "The couple arrived with the intention of buying a new RV, but when we got all the totals on paper, they had to back off and turn their attention to a used vehicle. Thankfully, we usually had something good to show them. Used minihomes and Class As priced under $20,000 were hot this season.

"But buyers are getting more critical every year," he added. "The used stuff had to look good or it got short shrift. We spend between $500 and $700 on reconditioning.

"We feel good about the business," Frum said. "This is a sturdy RV market. If you don't think people like RVs, get out on the freeways and make a check on the number you see moving around the area."

M. C. McEndree, Jayhawk Camper Sales, in suburban Shawnee, reported a 25 percent increase in sales the first six months of 1982, almost totally in new RVs.

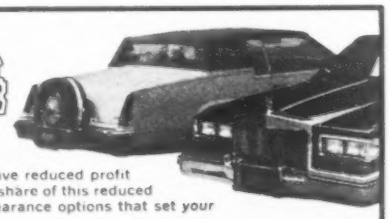
"We've done a good job on new travel trailers because we've got a couple of quality lines with wide acceptance, and we've accumulated a repeat patronage that trades on about a three-or-four-year cycle," he said.

McEndree is a travel-trailer specialist; he's negative on motorized gear because he says he can turn an inventory of travel trailers two or three times faster than he could motor homes. He puts thumbs down on the folddowns, claiming the price tags — $5,000 and $7,000 — have shoved the prime prospects, the young family, out of the market.

• He glows over the number of custom trailers he's moved so far this season for use as classrooms and similar purposes. He engineered one sale of a trailer for use as a computer classroom in Saudi Arabia and another destined for South Africa.

As a whole, McEndree said,

Continued on Page 33, Col. 1



the Classic Concept is the Profit Concept

Demand is down and factories have reduced profit margins. You can attract a larger share of this reduced market with dealer installed appearance options that set your automobiles apart from the rest.

Installation is simple and the necessary training is available from E&G Classics at no cost. **One complete restyling package including Classic Grille, simulated convertible top and Classic Spare can generate as much cash profit as the automobile itself.**

Call us for detailed information today. It will mean the difference in your profit margin.

E&G CLASSICS, INC.

THE INDUSTRY LEADER IN THE DESIGN, MANUFACTURING AND MARKETING OF DISTINCTIVE AUTO RESTYLING PRODUCTS

8909 McGaw Ct. Dept. AN, Columbia, Maryland 21045 • Telephone: 301-992-4900

SAME DAY SERVICE

Factory Exchange on:

• A-C Delco Cruise Control
• All Gas, Diesel & Resume Units

DAYTON SPEEDOMETER SERVICE, INC.

AC Delco Service & Sales Center

660 N. Main, Dayton, Ohio 45405

National 1-800-543-9687 | In Ohio 1-800-543-0719 | Local (513) 222-1491

AN-4

Your key to a select, free-spending audience

HUMM'S GUIDE TO THE FLORIDA KEYS

Winter/Spring 1983 Issue
Publishing: December 1, 1982
Closes for Advertising: October 1

The Florida Keys are becoming one of America's hottest vacation spots, attracting nearly a million visitors annually. These are consumers in the mood to spend...and prime sales prospects for a wide variety of leisure-time products and services.

Your most effective way to reach this key audience is by advertising in *Humm's Guide to the Florida Keys*. Since 1972, Humm's has been *the* directory to accommodations, sightseeing, dining and recreation throughout the Keys, from Key Largo to Key West. And *each* semi-annual issue—Winter/Spring and Summer/Fall—will deliver your message to 50,000 Keys-bound vacationers!

The Winter/Spring 1983 issue of *Humm's Guide to the Florida Keys* will be published December 1, 1982. *Closing date for advertising space reservations is October 1!* For further information, or to reserve your space, call one of the representatives listed below.

HUMM'S
Guide to the Florida Keys
The Guide to What to See and Do in the Fabulous Florida Keys

Chicago
Dave Bailey
(312) 649-5240

New York
Don Angela
(212) 210-0294

A publication of Crain Communications Inc

Total sales sag to '82 low

August light-truck market weakens

Continued from Page 10

compared with only 3,444 a year ago. Only the Scrambler and Volkswagen were available at that time, however.

Eight-month sales of the domestics soared to 239,396 units, compared with 27,794 through August, 1981.

• Sales of the Japanese-built small pickups—Toyota, Datsun, Mazda, Isuzu, Chevrolet LUV, Ford Courier, Dodge Ram 50 and Plymouth Arrow — were down from a year ago for both the month and the January-August period.

During the month, 37,197 units were retailed, down 13.5 percent from the year-earlier 42,985. Through August, the total was 259,726, off 17 percent from last year's 313,024.

Although the imports' share of the compact-pickup was down drastically from a year ago, it still was slightly higher than the domestics.

In August, the imports accounted for 54.7 percent of the small-pickup sales, compared with 92.6 percent in the same period a year ago. For the eight months, they had 52 percent of the total, as against 91.8 percent in 1981.

The number of unsold trucks in retailers' hands at the start of September was up substantially over last year. On Sept. 1, there were 621,080 new vehicles in inventory, 29.3 percent higher than the year-ago 480,396.

Light trucks on hand totaled 571,927 units, an increase of 36.6 percent over last year's 418,571. There were only 11,037 mediums in stock, down 49.8 percent from the year-ago 21,973. Heavies were off 4.4 percent, from 39,852 in 1981 to 38,116.

• Big Three truck dealers retailed 141,160 trucks during the month, off 12.8 percent from last year's 161,970. The eight-month count was up 12.8 percent, however, from 1,251,484 units in 1981 to 1,411,922.

During the month, Ford dealers sold 54,362 trucks, down 22.6 percent from last year's 69,330. Through August, the total was 532,021, an increase of 3.9 percent over the year-ago 511,979.

No. 1 Chevrolet reported that its dealers retailed 54,346 units in August, down 13.6 percent from last year's 62,888. The eight-month total was 549,995 units, up 13.6 percent over the 484,287 sold through August, 1981.

Dodge and Plymouth dealers sold 18,454 light trucks during the month, a gain of 16.1 percent from the year-earlier 15,893. Through August, the count was up 28.2 percent, from 133,267 units in 1981 to 170,822.

GMC Truck & Coach reported a one-percent increase in sales during the month, from 13,859 units a year ago to 13,998. The eight-month total was 159,084 units, an increase of 30.4 percent over the year-earlier 121,951.

Sales of the four-wheel-drive Jeep vehicles were down for both August and the eight months. The August count was 4,368, off 17.3 percent from last year's 5,284. Through August, the total was 42,109, down 1.6 percent from the year-earlier 42,794.

• August sales of the Volkswagen compact pickup were down 65.5 percent, from 2,626 a year ago to only 905 units. The January-August total was 8,841, a decline of 61.5 percent from last year's 22,974.

Sales of Mercedes-Benz medium and light-heavy trucks in August were down 41.4 percent to 230 units, compared with 386 in 1981. The eight-month total of 1,778 units was off 28.8 percent from last year's 2,496 vehicles.

Toyota dealers retailed 17,399 units during the month, an increase of 3.5 percent over last year's 16,805. Through August, the total was down 2.6 percent to 93,902 units, compared with 96,397 in 1981.

In August, Datsun dealers sold 8,125 compact trucks, a decline of 16.3 percent from the year-ago 9,713. The eight total was off 23.7 percent, from 80,602 in 1981 to 61,484.

August and eight-month sales of the Mazda compacts were up dramatically over a year ago. During the month, dealers sold 4,532 units, 222.6 percent higher than the year-earlier 1,405. Through August, the count was 26,806, a year gain of 144.5 percent over last year's 10,964.

Isuzu dealers sold 1,271 small trucks during the month, down 15.7 percent over last year's 1,507. But the January-August count was up 117 percent, from 5,326 units a year ago to 11,556.

Big Three August, year-to-date truck sales

	August 1982	August 1981	Year to-date 1982	Year to-date 1981
Ford				
Vans	8,688	10,316	82,024	74,871
Club Wagon	2,579	1,682	22,957	16,986
Ranger	9,993	.....	64,123	.....
Courier	1,451	5,169	22,146	44,519
Bronco	2,432	3,667	27,290	23,910
Conventional Pickups	25,458	43,831	281,821	315,892
Mediums	N.A.	3,796	N.A.	29,309
Heavies	N.A.	869	N.A.	6,492
Chevrolet				
Vans	7,739	9,076	69,650	63,178
Sportvan	824	1,043	10,816	9,773
S-10	11,686	2	122,775	2
LUV	1,644	5,684	17,088	49,024
El Camino	1,598	3,367	14,589	24,229
Blazer	1,050	2,071	18,202	15,302
Suburban	1,623	1,628	19,556	14,845
Conventional Pickups	26,663	37,600	266,042	291,502
Mediums	1,519	2,417	11,277	16,432
Heavies	.....	.....	.....	.....
Chrysler				
Vans	4,609	4,351	42,001	34,544
Voyager	263	262	3,457	3,323
Rampage	1,355	.....	12,006	.....
Ram Wagon	1,865	1,409	20,469	13,958
Arrow	385	803	4,206	6,692
Ram D-50	2,390	1,899	22,538	19,500
Trail Duster	.....	163	244	1,200
Ramcharger	466	346	7,402	3,564
Conventional Pickups	7,121	6,660	58,499	50,486
GMC				
Vans	1,671	1,819	19,055	16,192
Caballero	144	277	1,825	3,037
S-15	2,337	.....	26,232	.....
Jimmy	359	431	4,905	3,327
Suburban	565	426	6,630	3,361
Conventional Pickups	6,930	7,639	74,213	70,194
P models	359	307	2,681	2,475
Mediums	1,111	1,941	16,709	15,131
Heavies	522	1,019	6,834	8,234

Two choices in ragtops

Convertible Specialties, Gardena, Calif., converts the Toyota Corolla into a soft-top with manual roof for $2,300. Power roof costs $2,500. Conversion time is said to be two weeks.

factories list auction dates

American Motors

Sept. 21—D-A Auto Auction, New Stanton, Pa.

Sept. 22—Central States Auto Auction, Mason City, Ia.; Dallas Auto Auction, Grand Prairie, Tex.; Sand Mountain Auto Auction, Boaz, Ala., and Columbus Fair Auto Auction, Obetz, O.

Sept. 23—Todd Auto Auction, Telford, Pa., and Minneapolis North Star Auto Auction, Shakopee, Minn.

Sept. 24—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Sept. 28—Aptco Auto Auction, Taylor, Mich.

Sept. 29—Kansas City Auto Auction, Kansas City, Mo.; Metropolitan Milwaukee Auto Auction, Caledonia, Wis., and Southern Auto Auction, Warehouse Point, Conn.

Sept. 30—Evansville Auto Auction, Evansville, Ind.; Fredericksburg Auto Auction, Fredericksburg, Va., and Minneapolis North Star Auto Auction, Shakopee, Minn.

Ford Motor Co.

Sept. 22—Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Lakeland Auto Auction, Lakeland, Fla.

Sept. 23—Nashville Auto Auction, Nashville, Tenn., and Skyline Auto Exchange, Fairfield, N. J.

Used car sales
Auction Averages

September to date	$4,848
Month ago	$4,921
Year ago	$4,276

Model breakdown
Auction Averages

	SEPTEMBER TO DATE	AUGUST	JULY
1982	$8,359	$8,749	$9,371
1981	6,554	6,591	6,824
1980	5,160	5,348	5,377
1979	5,017	4,830	4,823
1978	3,895	3,867	3,872
1977	3,207	3,038	2,935
1976	1,976	2,046	2,103
1975	1,295	1,357	1,686
Overall Average	$4,848	$4,910	$4,885

used-car auction directory

Display Rates: $59.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $17.00; 13-times, $13.00; 26-times, $11.50; 52-times, $10.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

AUCTION

CANADA!

Wednesday
MONTREAL AUTO AUCTION, LTD.
325 Rue Norman
Ville St. Pierre P.Q.
Canada, H8R 1A3
LBE 3C2 Ph. (418) 560-4851
(DEALER AUCTION)

Thursday
ONTARIO AUTO AUCTION
406 Lake Ave. North
Hamilton, Ont. Canada
LBE 3C2 Ph. (418) 580-4851
(DEALER AUCTION)

Special & Immediate Service to:

- **Lease & Daily Rental Companies**
- **Dealers, Fleet Owners**
- **Banks & Finance Companies**

RETAIL AUCTIONS AND BUSINESS TERMINATION AUCTIONS A SPECIALTY (ON YOUR LOCATION)

- **Over 20 years experience**
- **A Complete Auction Service . . . Both Wholesale & Retail**

FOR **IMMEDIATE** SERVICE
WRITE OR PHONE
MICHAEL LAWRENCE
Montreal Auto Auction Ltd.
325 RUE NORMAN
VILLE ST. PIERRE
QUEBEC, CANADA
H8R 1A3
PH (514) 489-6873

CANADA

DRIVE AWAY

SERVICE
Immediate delivery of your cars to Boston, New York and Philadelphia areas. Your U. S. dollar is worth 25% more in Canada.
MONTREAL DRIVE AWAY SERVICE LTD.
514-937-2816
20 Years Experience

MICHIGAN

APTCO AUTO AUCTION
20911 GLADWIN
TAYLOR, MICHIGAN 48180
(313) 285-7300

BIG FACTORY AUCTION SALE
Tuesday, September 28, 1982

CHRYSLER CORP.	FORD MOTOR CO.	AMC FACTORY SALE
10 A.M.	10 A.M.	11 A.M.
SALE OF 200 UNITS CHRYSLER PLYMOUTH DODGE DEALERS ONLY	SALE OF 200 UNITS FORD & LINCOLN-MERCURY DEALERS ONLY	SALE OF 200 UNITS ALL MAKES & MODELS

Followed by Our
BIG REGULAR CONSIGNMENT SALE
(Open to All Licensed Auto Dealers)

APTCO DETROIT

MISSOURI

MAKE YOUR PLANS NOW
TO ATTEND
OUR SEVENTH ANNUAL
PRE-HUNTING SEASON
4 WHEEL DRIVE & PICKUP TRUCK AUCTION
OCTOBER 21st, 11 A.M.
Nation's largest consignment of 4 wheel drives
Expecting 500 to 600 4-wheel drives and pickups for this sale.
(Last 2 previous sales had over 650 vehicles)
CALL:
314-474-9595
FOR ROOM RESERVATIONS AND INFORMATION
—YOU MAY PRE-REGISTER BY PHONE—
RICHARD HEAD'S
AUTO AUCTION, INC.
ROUTE 2 & I-70
COLUMBIA, MISSOURI

ARIZONA

Southwest Auto Auction. Lease/fleet accounts & bank repos welcome. Member NAAA and NAFA. 3420 South 48th St., Phoenix, 602-894-2211. Since 1971.

ARKANSAS

Arkansas Auto Auction. Lease and Fleet accounts welcome. Member NAA, ADA. Sale every Tuesday. 1115 North James, Jacksonville, AR, 501-982-0591.

AUCTION SCHOOL

Mendenhall School of Auctioneering. America's Top-Quality Auction School. Vet Ap. Free Cat. Write or Call. P.O. Box 7344, High Point, N. C. 27264. (919) 887-1165.

WASHINGTON

Bob McConkey & Sons. So. Seattle Auto Auction, the Lease Specialist. 206-872-6800, P. O. Box 5189, Kent, WA 98031.

COLORADO

Denver Auto Auction, 4285 South Santa Fe, Englewood, Colorado 80110. Sale every Friday, 303-761-1410, 303-761-1459.

FLORIDA

Imperial Auto Auction, Lakeland, Fla. Sale every Tues., 7 P.M. & Thurs., 1 P.M. (813) 688-8458, toll free, 800-237-7661.

ILLINOIS

Greater Chicago Auto Auction. Every Thursday—1 P.M. Sharp. 800—1,000 cars & trucks. 312-597-3600.

NEW MEXICO

NEW LOCATION
NEW SALE TIME
NEW SALE DATE
GREATER ALBUQUERQUE AUTO AUCTION
2019 MENAUL N.E.
New Mexico's only dealer auction.
Sale every Tuesday, 11 A.M.
505-883-7772
Member NAAA & WAAA

MARYLAND

BEL AIR AUTO AUCTION
BEL AIR, MARYLAND
Over 35 years serving auto dealers
SALE EVERY THURSDAY, 11 A.M.
FULL SERVICE AUCTION
Member NAAA
Call: 301-838-5880 or 301-879-7950
Rt. 1, Bel Air, Maryland 21014

NEW YORK

Northeast Auto Auction, Bayshore, N.Y. Sale every Fri., 12 noon. Buyers galore. Sellers needed. 516-968-8844.

OHIO

Wednesday Auto Auction. Exit 49 on I-270, Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. 614-871-2771.

SOUTH CAROLINA

Bruce Auto Auction & Recon Center—Fleet and Lease car and truck disposal our thing. AAA credit. 803-242-3090, Greenville, S.C.

TEXAS

PAT PATTERSON'S Amarillo Auto Auction, Inc. 36 years serving most major fleet and lease companies. 3208 E. 10th, Amarillo, Texas, 806-372-2206.

CALIFORNIA

Oakland Auto Auction, 10121 E. 14 Oakland 3, NE 6-0621. Complete service out-of-state lease, fleet accounts. Fred Boardman.

INDIANA

MID STATES AUTO AUCTION
25784 Western Ave.
South Bend, Indiana
Sale every Wednesday 6:00 P.M. and every Friday 12:00 Noon. PERSONAL ATTENTION given in the handling of vehicles for Fleet Operators and Leasing Firms. Phone 219-289-7767.

MINNESOTA

WEDNESDAY 12:00
Large consignment, 3 ring selling. Complete recon facilities. Arrange pickup anywhere.
Minneapolis Auto Auction
1125 Nathan Lane, Minneapolis, Minn. 55441
612-546-2403

NEW JERSEY

WE SELL FOR THE COUNTRY'S LEADING LEASING CO.'s • FLEETS BANKS • FORD MTR. CO. • GMAC
SKYLINE AUTO AUCTION
100 Route 46, Fairfield, N. J. 07006
(201) 227-0100
4 Lane Selling Every Tuesday

AUTOMOTIVE NEWS ADS PRODUCE EXCELLENT RESULTS

Recovery prognosis is guarded

Sales projection cut to 9.2 million for '83

Continued from Page 1

and it is likely the U. S. Federal Reserve Board will ease its monetary policy somewhat.

The forecast showed a slight easing in unemployment on an annualized basis in the fourth quarter for a 1982 total of 9.38 percent, with modest quarter by quarter improvement next year, although the unemployment rate for all of 1983 will likely be about 9.14 percent.

Gasoline prices are expected to remain fairly stable in real terms, and the index of production workers' wages is expected to increase only slightly over the next 18 months.

"On an annual basis, the inflation rate improves from 9.4 percent last year to 6.3 percent in 1982 and 5.9 percent in 1983," Eckstein said, as a result of "wage deceleration, lower world oil prices, bumper crops, a strong dollar and a resumption in labor productivity gains."

In the auto sector, import penetration, which has been running at record levels recently, is expected to abate as the recovery progresses, with total import new-car sales penetration now forecast at 27 percent for 1982 and less than 25 percent in 1983.

The finance rate for consumer auto loans is expected to show a third quarter drop to 16.49 percent from 17.20 in the second quarter and 16.4 percent last year, with a further drop to 15.78 percent in the fourth quarter.

However, auto loan rates are not expected to drop substantially next year, with the rate remaining above 15 percent until the fourth quarter of 1983.

The one true bright spot in the current ANWO continues to be the light-truck segment of the U. S. industry, with the forecast for next year upgraded in the current forecast to 2.9 million units in 1983 compared with the 2.27 million units forecast in June.

The improvement in the outlook is based on general economic factors in the "recovery" as well as product availability.

Larger cars are still expected to fare better than the smaller domestic offerings, with retail deliveries of full-size and intermediate-size cars expected to total 4.89 million this year, compared with 4.98 million last year.

However, of the total number of units removed from the 1982 forecast since the last AUTOMOTIVE NEWS WORLD OUTLOOK, 190,000 came from the fuel-efficient segment while 310,000 came from the larger-car segment. The forecast import total for 1982 was not reduced.

For 1983, the larger-car domestic segment forecast was dropped 220,000 units since June while the fuel-efficient segment lost 140,000 units. The import segment remained virtually unchanged.

RV business turns a profit in Kansas City

Continued from Page 22

it's been a good year and next year looks better. The trailer market is steadily making a comeback, he said.

At Shawnee Camper Sales, Shawnee, the folddown units are good sellers, according to Bill Palmer.

"They get young families RV-conscious and create activity on our lot," he said.

Fifth-wheel sales represent about a third of the total volume, while motorized RVs have been losing ground for two years. He said he sees that trend continuing for a year or two.

"The number of people who can afford to pay $30,000 or more for a motor home is dwindling," he explained.

• Sales of folddown units exploded this year at All Seasons Campers, Independence, Mo., and Lee Reid reported heavy business in models priced between $3,500 and $4,000.

"People are catching on to how well these moderately priced RVs fit into their budgets," she said, "You can pull them anywhere. Granted, the gross profit per sale doesn't exactly stagger you, but they're enabling us to keep a toehold in the business and put together a following that will be able to afford higher-priced RVs later on."

• Bert Collard, Bert Collard Chevrolet RV Center, Leavenworth, Kan., said business this year is "better than last." New RV sales, he added, are in a "holding pattern."

Sales of fifth-wheels and travel trailers in 20- and 23-foot lengths took a sharp jump in July. The 25- and 30-foot fifth-wheels, he said, are gaining converts among people taking extended vacation trips and those who live in their RVs for lengthy periods.

He calls his RV operation a "department store" that also includes van conversions, folddowns and pickup covers. Vans are a Collard RV standby. "They're geared to pull trailers and are bought frequently as tow vehicles," he said.

Chrysler deals move, open in St. Louis

ST. LOUIS.—Mid-City Chrysler-Plymouth is moving from its mid-city location to suburban Ellisville, and Jan Mazzuca, the principal owner, is switching to Dodge. The dealership will be Mazzuca Dodge.

A new Chrysler-Plymouth outlet will be opened in the mid-city area by Chris Blumeyer and Mike Sheahan, who own a Volkswagen dealership. Their new point will be called Quality Chrysler-Plymouth.

Shortages mark 51-day supply of import cars

Continued from Page 1

patterns in Sweden, both Volvo and Saab shipments have dwindled while sales held strong last month, resulting in depleted stocks.

Days-supply figures for other European lines Sept. 1 included: Volvo, 36; Saab, 51; Jaguar, 55; Peugeot, 89; Renault, 187; Fiat, 191, and DeLorean, 330.

Days-supply figures for new imported pickup trucks in inventory Sept. 1 were: Mazda, 46; Toyota, 55; Datsun, 159; Chrysler Corp./Mitsubishi, 173; Chevrolet LUV, 214; Isuzu, 235, and Ford Courier, 268.

Kennard sees Cadillac sales rising 13 pct. in '83 season

By Francis J. Gawronski
Service Editor

MILFORD, Mich.—A 13.4 percent increase in sales was forecast for Cadillac as the division's 1983 models were unveiled at a press preview here.

Speaking at the General Motors Proving Grounds, Edward C. Kennard, Cadillac general manager, said, "For the 1983 model year, we are forecasting in the area of 265,000 sales, a 13.4 percent increase over 1982.

"For the 1982 model year, which ends Sept. 30, we project total Cadillac sales of 233,700 units, a 3.2 percent increase over the 1981 model year," Kennard said. "Cadillac sales began a turnaround from depressed 1980 levels early in 1981 and have been upbeat ever since."

The 1983 projections and 1982-model-year results by nameplate are as follows:

Cimarron, 20,000 and 14,800; Eldorado, 60,000 and 54,600; Seville, 28,000 and 21,950, and de-Ville-Brougham-limousine, 157,000 and 142,350.

This is Kennard's last new-model introduction at Cadillac. He will retire Oct. 1, and will be succeeded by Robert D. Burger, currently Cadillac assistant general manager. Kennard has headed the division since 1974.

Kennard said that, with the introduction of the 1983 Cadillac models, "fuel injection will eject the carburetor from our lineup for the first time in our eight-decade history."

"Cadillac will become the only U. S.-based car maker that has fuel-injected engines across the line," he said.

"As far as we're concerned, this is another step in the Cadillac tradition of technological leadership and quality."

Kennard said Cadillac was "very encouraged" with Cimarron's past performance and is "excited about the future" of the car.

According to Cadillac surveys, Kennard said, 80 percent of Cimarron purchases represent new business for Cadillac—"a possible new record for a new car"; 63 percent of the sales have been conquests of other makes; 17 percent of the purchases have been additional cars sold in the household.

Also, only 20 percent of the Cimarron buyers traded in another Cadillac; 54 percent of the buyers never owned a Cadillac before, and 38 percent of the purchasers said they would have bought a foreign car if Cimarron had not been available.

"At Cadillac, we have great confidence in 1983 and the future, because we are making a commitment," Kennard told the newsmen. "A commitment in terms of products, plants, innovative thinking and quality. Our actions are designed to keep Cadillac the luxury car leader for the 36th consecutive year."

Carpentier, McPherson buy Riggs Oldsmobile

REDWOOD CITY, Calif. — Riggs Oldsmobile has been purchased by Jack Carpentier and John D. McPherson. The new dealership will be called Jack Carpentier Oldsmobile. Raymond Riggs is retiring after 20 years.

Carpentier will be president of the firm. He is a past president of the Northern California Motor Car Dealers Assn.

AUTOMOTIVE NEWS WORLD OUTLOOK

GENERATED BY DATA RESOURCES, INC.

		1982					1983				
U. S. Macroeconomic Outlook	Year 1981	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 1982	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 1983
% change gross national product—1972 dollars	1.94	-5.11	1.26	1.50	2.96	-1.53	3.56	3.22	4.45	4.46	3.15
Index of production workers wages	2.73	2.86	2.90	2.94	2.99	2.92	3.04	3.09	3.14	3.20	3.12
Consumer price index (all urban)—all items	2.72	2.84	2.87	2.92	2.96	2.90	3.01	3.05	3.09	3.14	3.07
Unemployment rate—all civilian workers	7.63	8.77	9.47	9.74	9.55	9.38	9.39	9.25	9.04	8.88	9.14
Index of consumer sentiment	0.71	0.67	0.66	0.67	0.68	0.67	0.67	0.68	0.71	0.72	0.70
Housing starts, private including farm—total	1.10	0.92	0.95	1.09	1.20	1.04	1.25	1.34	1.43	1.50	1.38
Index of real gasoline prices (1981:4=1)	1.00	0.96	0.89	0.94	0.94	0.93	0.95	0.96	0.97	0.98	0.97
U. S. Financial Outlook											
Prime rate on short-term business loans	18.87	16.27	16.50	13.91	12.24	14.73	13.77	13.98	13.34	13.16	13.56
Finance rate on consumer auto loans	16.54	17.05	17.20	16.49	15.78	16.63	15.35	15.63	15.02	14.26	15.06
Real new-issue rate	7.79	7.35	8.58	3.87	4.19	6.05	6.05	6.05	5.02	5.52	5.66
Real short-term interest rate	7.79	7.35	8.68	3.87	4.19	6.00	6.26	5.47	4.51	4.64	5.22
Personal savings as % disposable income	12.47	13.29	14.15	16.83	16.66	15.23	15.50	15.23	17.15	17.52	16.35
Ratio of corporate profits to GNP	7.91	5.73	5.55	5.36	5.38	5.50	5.48	5.61	5.81	6.01	5.73
Ratio of fixed investment to GNP	11.78	11.92	11.57	11.16	10.82	11.37	10.71	10.70	10.78	10.86	10.76
U. S. Automotive Outlook											
Total new passenger car retail sales—units	8.54	8.00	7.50	7.71	8.32	7.88	8.67	8.88	9.36	9.86	9.19
Domestic share %	72.59	71.67	72.89	71.98	74.45	72.74	75.01	74.83	75.53	76.43	75.45
Fuel efficient units	3.61	—	—	—	—	3.00	—	—	—	—	3.49
Full size and intermediate units	4.98	—	—	—	—	4.89	—	—	—	—	5.70
Import share %	27.41	27.92	26.67	28.02	25.55	27.04	24.99	25.17	24.47	23.57	24.55
Dealer deliveries—light trucks—units	2.04	2.45	2.30	2.46	2.61	2.46	2.78	2.93	2.95	3.12	2.95
Dealer deliveries—Class 6-8 trucks—units	0.23	0.20	0.20	0.22	0.24	0.21	0.25	0.25	0.25	0.26	0.25
Passenger car production	6.28	—	—	—	—	5.17	—	—	—	—	6.41
Commercial vehicle production	1.70	—	—	—	—	1.92	—	—	—	—	2.31

WORLD AUTOMOTIVE OUTLOOK

European New Car Registrations

	1980	1981	1982	1983	1984	1985	1986
France							
Total registrations	1.873	1.835	1.935	2.010	1.941	1.922	2.002
Small-car segment	1.128	1.159	1.222	1.255	1.203	1.199	1.249
Large-car segment	.738	.672	.713	.754	.737	.723	.753
United Kingdom							
Total registrations	1.513	1.485	1.530	1.661	1.654	1.672	1.672
Small-car segment	.770	.846	.889	.965	.934	.926	.926
Large-car segment	.736	.632	.641	.696	.720	.746	.746
West Germany							
Total registrations	2.426	2.330	2.270	2.470	2.674	2.680	2.640
Small-car segment	1.049	1.074	1.089	1.175	1.245	1.232	1.214
Large-car segment	1.305	1.216	1.181	1.294	1.429	1.448	1.426
Italy							
Total registrations	1.716	1.734	1.629	1.601	1.650	1.590	1.500
Small-car segment	1.344	1.343	1.278	1.263	1.287	1.227	1.157
Large-car segment	.386	.402	.351	.338	.363	.363	.343

NOTE: Units stated in millions. Totals may not add due to rounding. Some historical data revised by U. S. government statistical revisions.

Pontiac makes the P-car official

After years of official secrecy surrounding development of the two-seat P-car, Pontiac has finally announced it will come on line in the fall of 1983 at the Fisher Body plant in Pontiac. Employes hang a new sign in anticipation of the change.

Strikes at Chrysler plants put lid on auto production

U. S. auto makers planned a 13.25-percent increase in production last week but the week's total was likely to be reduced by wildcat strikes at most Chrysler Corp. plants.

Auto makers slated production of 105,789 cars, up from the 93,405 built during the previous holiday-shortened week and a 1.50-percent increase from the 104,223 built during the comparable period last year.

Chrysler Corp. production will be lower than planned because of strikes which started at midweek at most plants after UAW negotiators and the company failed to reach agreement before the midnight Sept. 15 deadline. A tentative agreement was reached hours later, but workers had already left their jobs.

Ford Motor had four plants down last week. The San Jose, Lorain and Atlanta points were down for model changeover, while the Kansas City plant was closed to trim inventories.

General Motors Oklahoma City and Lakewood were down last week. Oklahoma City was to return to work today (Sept. 20), but Lakewood is closed indefinitely. The company said it would close its Norwood plant tomorrow (Sept. 21) until Oct. 7 for model changeover.

Overtime was scheduled last week at General Motors Linden and Lansing (both the full-size B/C and the mid-size G lines) plants.

Volkswagen of America said it has scheduled its 1983-model Job One production at Westmoreland for Oct. 4, though the plant will actually reopen Sept. 27 for "system fill."

Year-to-date, the makers have built 3,724,820 cars, down 22.68 percent from the 4,817,999 built during the comparable period in 1981.

Smith, Morken rise at Chrysler Financial

DETROIT. — Chrysler Financial Corp. has elected Clifford A. Smith vice president and controller and Sidney A. Morken as area vice president — Western U. S. area, Chrysler Credit Corp.

Smith, 39, has been assistant controller since 1979. He joined Chrysler Financial in 1966. Morken, 48, has been Western U. S. area operations manager since 1978. He joined Chrysler Credit in 1966.

TRUCK PRODUCTION IN U. S.†

	Week Ended Sept. 18, 1982	Week Ended Sept. 19, 1981	Week Ended Sept. 11, 1982	Sept. to Date	Jan. 1 to Sept. 19, 1981	Jan. 1 to Sept. 18, 1982
CHEVROLET	13,743	5,326	12,317	33,216	351,812	496,177
DODGE	2,700	.....	2,266	6,661	68,974	95,012
FORD	17,991	16,441	10,792	35,722	466,027	520,776
GMC	4,594	2,022	2,970	9,422	125,779	176,911
INTERNATIONAL	.....	1,507	881*	1,540	54,211	34,790
VOLKSWAGEN	.....	.....	.....	.....	31,038	8,103
JEEP	2,000*	2,000*	1,929*	5,086	74,188*	62,981
AM GENERAL	50*	50*	50*	130	2,936*	1,730
MISCELLANEOUS	1,000*	1,400*	1,000*	2,600	48,720*	41,000
Total Trucks, U. S.	42,078	28,746	32,205	94,377	1,223,685	1,437,480

CANADIAN TRUCK PRODUCTION

	Week Ended Sept. 18, 1982	Week Ended Sept. 19, 1981	Week Ended Sept. 11, 1982	Sept. to Date	Jan. 1 to Sept. 19, 1981	Jan. 1 to Sept. 18, 1982
CHRYSLER CORP.	2,543	2,044	2,148	5,489	60,662	74,430
FORD MOTOR	165	3,145	2,322	4,173	107,135	103,473
GENERAL MOTORS	5,600	1,441	4,218	12,642	195,822	183,602
INTERNATIONAL	.....	265	211*	368	8,405	8,166
Total Trucks, Canada	8,308	6,895	8,899	22,672	372,024	369,671
N. American Trucks	50,386	35,641	41,104	117,049	1,595,709	1,807,151

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

Canadian output cut by downtime at Ford, AMC

Canada's car makers slated production of 12,206 cars last week, a 31.44-percent plunge from the previous week's 17,805 units. The decline was a result of downtime at Ford Motor and American Motors.

Last week's output was down 12.14 percent from the 13,894 assemblies of the year-ago week.

Ford's St. Thomas assembly point was down last week and will remain closed this week to trim car inventories. In addition, the company's Oakville plant was down last week because of a parts shortage.

American Motors closed its Brampton plant last week for tooling changes to add production of Spirit and SX4 models to the Concord sedans and wagons already built there. Brampton will reopen Sept. 27.

Volvo production last week was cut by an employe strike at the Halifax assembly plant. The striking workers returned to work after a two-day strike.

As of last week, Canadian makers had built 5.6 percent more cars for the year than during the comparable period last year. The year-to-date total was 634,103 cars, up from 600,452 during the comparable 1981 period.

Last week's Canadian truck production was 8,308 units, down 6.64 percent from the 8,899 built the previous week, but up 20.49 percent from the 6,895 assemblies of the comparable '81 week.

Year-to-date, the makers have assembled 369,671 trucks, down slightly from the 372,024 built during the equivalent period last year.

Truck production climbs; Ford boost a factor

Domestic truck production soared 30.65 percent last week, backed by a substantial increase by Ford Motor Co. and the return of most makers to full-week scheduling.

The manufacturers slated output of 42,078 vehicles last week, up from the 32,305 built during the previous holiday-shortened week, and a whopping 46.37-percent boost from the 28,746 built during the equivalent period last year.

Ford production, bolstered by daily overtime at the Lorain (vans) and Michigan Truck plants, skyrocketed 66.70 percent last week. In addition, Ford Louisville returned to work last week after one week of downtime.

International Harvester closed its plants last week and they remain down this week to balance inventories. Volkswagen of America said it has tentatively scheduled Job One of 1983-model production at its Westmoreland pickup truck line for the first week in December.

General Motors' Detroit (Chevrolet) and the heavy-duty line at Pontiac (GMC Truck & Coach) remained down last week for model changeover. They are scheduled to reopen today (Sept. 20).

The cumulative truck production total continues to run at a level well above last year's output. The year-to-date figure is 1,437,480 units, up 17.47 percent from the 1,223,685 built during the equivalent period last year.

U. S. CAR PRODUCTION

	Week Ended Sept. 18, 1982	Week Ended Sept. 19, 1981	Week Ended Sept. 11, 1982	Sept. to Date	Jan. 1 to Sept. 19, 1981	Jan. 1 to Sept. 18, 1982
AMERICAN MOTORS	2,900*	2,000*	2,800*	7,381	95,572*	54,679*
AMC Total	1,500*	2,000*	1,500*	3,840*	95,572	39,979*
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
Renault Total	1,400*	.....	1,300*	3,541*	.....	14,700*
Alliance	1,400*	.....	1,300*	3,541*	.....	14,700*
CHRYSLER CORP.	12,700	11,843	11,835	33,420	582,153	419,610
Plymouth Total	5,000	5,327	4,362	12,632	302,517	169,834
Horizon	1,900	3,015	1,675	4,927	117,969	54,218
Reliant	3,000	2,312	2,554	7,311	174,961	115,004
Caravelle ('81)	.....	.....	.....	.....	2,139	.....
Caravelle ('83)	100	.....	133	394	.....	612
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	1,700	877	2,474	6,075	23,101	82,966
LeBaron	1,100	877	1,403	3,666	18,239	77,486
Chrysler	.....	.....	.....	.....	4,862	.....
Chrysler E-Class	600	.....	1,071	2,409	.....	5,480
Dodge Total	6,000	5,639	4,999	14,713	256,535	166,810
Omni	2,100	2,865	1,597	4,822	101,899	51,025
Aries	2,300	2,164	2,083	6,141	137,393	87,409
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	300	610	393	1,017	917	23,934
Dodge 600	1,300	.....	926	2,733	.....	4,442
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	17,348	30,466	18,132	45,884	1,016,537	790,123
Ford Division	10,708	21,357	12,110	29,375	694,150	498,370
Escort	5,709	9,016	5,717	15,802	267,767	204,859
Fairmont	.....	3,910	2,635	2,635	143,429	88,429
Must./Must. II	3,513	4,440	2,725	8,289	119,919	94,098
LTD/Granada	1,486	3,923	794	2,280	70,369	76,331
Thunderbird	.....	.....	.....	.....	51,645	29,326
Ford	.....	.....	.....	.....	40,886	.....
EXP	.....	68	239	369	135	5,327
L-M Division	6,640	9,109	6,022	16,509	322,387	291,753
Mercury Total	4,578	7,701	4,361	11,550	279,835	223,933
Lynx	1,749	3,074	1,520	4,405	92,273	64,502
Capri	963	944	902	2,426	40,891	26,317
Zephyr	.....	719	469	469	42,865	28,988
Marquis/Cougar	413	1,290	161	574	33,829	36,527
XR-7	.....	.....	.....	.....	24,450	10,580
Mercury	1,453	1,639	1,181	3,516	45,435	55,657
LN7	.....	35	128	169	92	1,362
Lincoln Total	2,062	1,408	1,661	4,959	42,552	67,820
Continsntal ('82)	413	614	332	992	1,516	14,091
Lincoln	1,074	422	871	2,496	20,067	31,021
Mark VI	575	372	458	1,471	20,969	22,708
GENERAL MOTORS	72,841	59,889	60,638	172,709	3,000,380	2,398,124
Buick Division	15,451	10,917	12,233	36,211	665,560	557,759
Skylark	4,168	.....	3,449	10,065	209,276	108,385
Skyhawk J	1,560	.....	1,106	3,132	.....	51,369
Century	400	.....	322	964	86,881	90,343
Regal	4,000	5,469	3,249	9,665	195,326	151,654
Buick	3,883	4,013	3,132	9,264	123,873	128,786
Riviera	1,440	1,435	975	3,121	50,204	27,222
Cadillac Division	6,181	6,439	4,672	14,284	191,592	165,032
Cimarron	565	1,000	423	1,233	16,022	5,056
Seville	672	582	453	1,448	17,682	15,181
Eldorado	1,344	1,240	905	2,960	43,913	40,089
Cadillac	3,600	3,617	2,891	8,643	113,975	104,706
Chevrolet Division	23,245	21,657	20,149	55,319	1,111,977	774,698
Chevette	4,882	6,949	3,464	8,775	259,394	161,533
Cavalier	3,526	4,122	2,704	7,988	74,462	65,427
Celebrity	2,480	.....	1,835	5,835	.....	49,197
Camaro	4,680	.....	4,996	12,674	87,694	172,614
Citation	1,428	.....	2,180	4,884	255,934	129,969
Malibu	2,529	3,156	1,506	5,182	177,500	89,037
Monte Carlo	1,748	2,015	1,896	5,179	104,566	54,057
Chevrolet	1,372	4,805	1,082	3,357	130,095	32,179
Corvette	600	610	486	1,445	22,332	20,685
Oldsmobile Division	19,926	12,143	15,137	45,822	640,702	557,517
Omega	1,395	.....	1,303	3,732	109,277	62,740
Firenza	610	.....	380	1,213	.....	35,373
Cutlass	5,820	4,780	4,097	13,003	298,201	144,505
Cutlass/Ciera	4,400	.....	3,559	10,598	.....	91,884
Oldsmobile	6,837	6,527	5,209	15,400	200,720	200,056
Toronado	864	836	589	1,876	32,504	22,959
Pontiac Division	8,038	8,733	8,447	21,073	390,549	343,118
Acadian†	68	32	68	136	16,376	8,489
2000	1,029	2,775	1,031	2,716	51,157	31,536
1000	650	2,575	505	1,155	64,287	28,468
Firebird	3,310	.....	3,047	8,348	43,468	102,568
Phoenix	298	.....	1,356	2,173	81,812	37,916
G. Prix/B'ville ('83)	1,563	3,351	1,386	3,683	81,358	105,587
A6000	1,120	.....	1,054	2,862	.....	28,554
LeMans	.....	.....	.....	.....	42,027	.....
Pontiac	.....	.....	.....	.....	10,064	.....
VOLKSWAGEN	.....	.....	.....	.....	121,813	60,121
CHECKER	.....	25*	.....	.....	1,544*	2,163
Total Cars, U. S.	105,789	104,223	93,405	259,394	4,817,999	3,724,820

CANADIAN CAR PRODUCTION

	Week Ended Sept. 18, 1982	Week Ended Sept. 19, 1981	Week Ended Sept. 11, 1982	Sept. to Date	Jan. 1 to Sept. 19, 1981	Jan. 1 to Sept. 18, 1982
AMERICAN MOTORS	.....	849	976	1,699	24,340	23,177
CHRYSLER CORP.	3,440	2,654	3,446	8,139	44,448	119,482
FORD MOTOR	186	2,397	6,803	12,249	162,504	220,862
GENERAL MOTORS	8,400	7,769	6,580	19,260	361,759	263,486
VOLVO	180	225	.....	297	7,401	7,096
Total Cars, Canada	12,206	13,894	17,805	41,644	600,452	634,103
N. American Cars	117,995	118,117	111,210	301,038	5,418,451	4,358,923
N. American Trucks	50,386	35,641	41,104	117,049	1,595,709	1,807,151
North American Cars and Trucks	168,281	153,758	152,314	418,087	1,014,160	6,166,074

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

Automotive News EXTRA
SEPTEMBER 20, 1982

SHOWROOM PROFITS

Dealers predict sales and profit uptrend in 1983

By Al Fleming
Industry Editor

As the automobile industry lurches into the 1983 model year, there is an aura of hope, even optimism, among the nation's new-car dealers.

An AUTOMOTIVE NEWS New-Car Dealer "Showroom Profits Survey" of dealership owners and managers, conducted last month, shows most (71 percent) expect an end to the prolonged decline in new-vehicle sales and even more (80 percent) see the prospect of climbing profits for their dealerships in 1983.

Moreover, the AUTOMOTIVE NEWS poll reveals that an increasingly greater contributor to showroom profits are after-the-car-sale extras — such as financing, insurance, warranties, accessories and rustproofing — that adds to dealer income above and beyond the vehicle sticker price.

Points out a Panama City, Fla., dealer who sold more than 800 new cars last year: "Financing, audio equipment, options, insurance, rustproofing, special paint, extended warranties — they account for a third of my total profits. The decline of new-car sales has necessitated emphasis on these sales."

His is not a voice in the wilderness. It's typical of comments received by AUTOMOTIVE NEWS.

• Dealers responding to the national survey represent every state, and range from relatively low-volume (23 percent sell fewer than 200 new cars a year) to very high-volume operators (5 percent sell more than 2,000).

Of survey participants, 62 percent sell only domestically made cars. 15 percent sell only imports and 23 percent handle both domestics and imports.

Results of the written questionnaire are highlighted by these key findings:

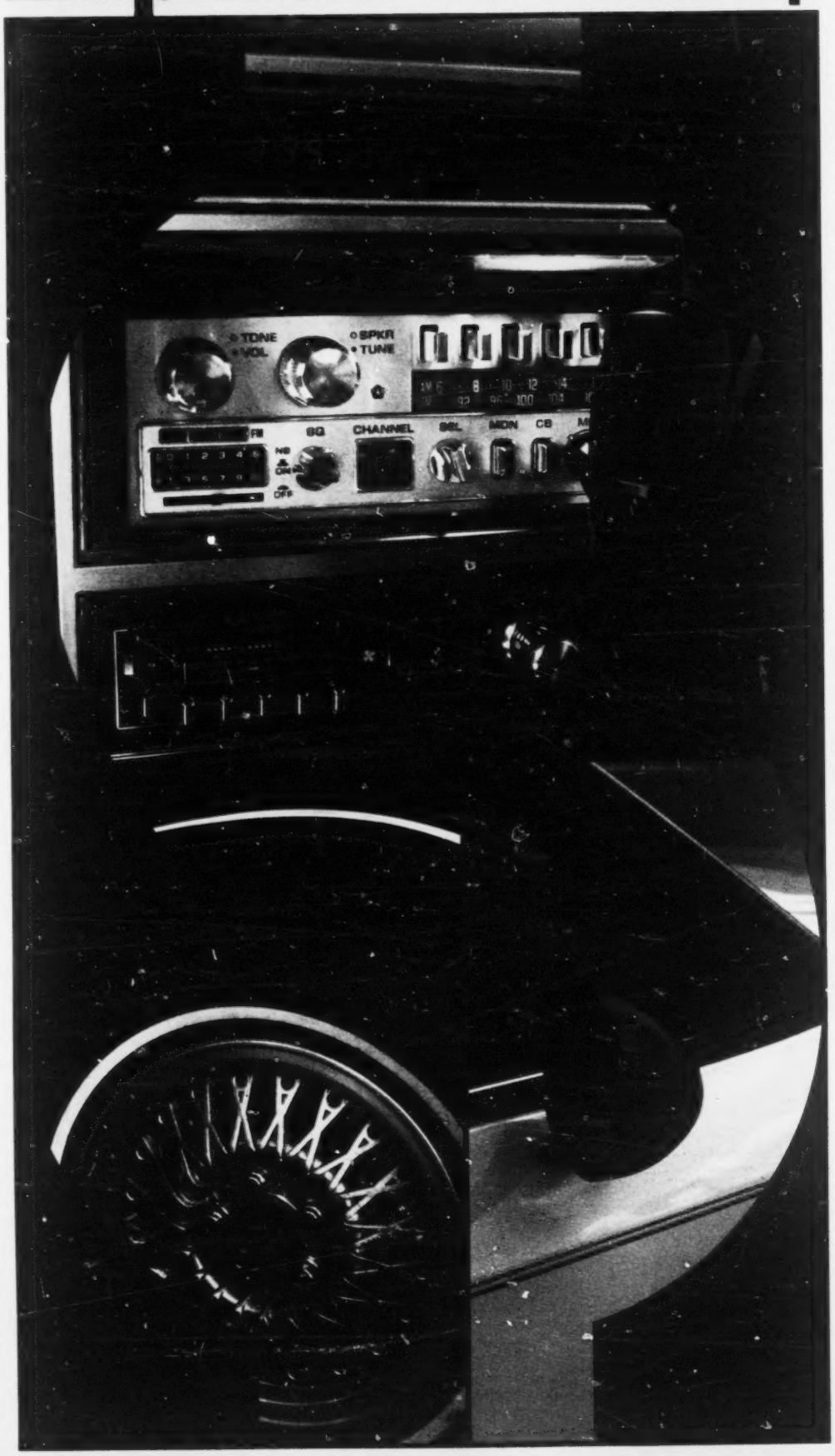
• Among the "extra" contributors to showroom profits, new-car financing is by far the most lucrative, followed in order by extended warranties, insurance, accessories and rustproofing as the top five.

• Half of today's dealers generate up to one-fifth of their profits through extras, and nearly four of every 10 dealers make 21 to 40 percent of their profit that way, with the percentage continuing to grow at nearly two out of three dealerships.

• Just more than half the dealers say financing problems have cost them new-car or add-on sales in the past year.

• Most dealers (55 percent) say women car-buyers are as good prospects for add-on sales as men, but one out of three believes men can be sold extras more easily.

Emphasis on Extra$



• Nearly 60 percent of dealers report their profits in 1982 will top those of 1981, and 80 percent predict profits in '83 will surpass '82.

• Better than 70 percent of dealers think new-car sales (domestics and imports combined) in 1983 will top 1982.

The message comes through clearly in the survey that dealers are benefiting from greater effort in arranging vehicle-financing for customers.

On a scale of one (most important) to 12 (least important), financing is first by far, with a 2.6 average among respondents, as the main contributor to dealership black ink in showroom sales, aside from the new car itself. Extended warranties, insurance, accessories and rustproofing are next highest.

Then come service programs, factory optional equipment, leasing, audio equipment, replacement items, coatings and finishes (special paint jobs) and sealants.

An import dealer in Albany, N.Y., observes that new-car sales, rustproofing, audio equipment, accessories and factory-offered options comprise 93 percent of his profits, with finance and insurance making up the other seven percent.

Says an import seller in Midlothian, Ill.: "Sales of cars and overall grosses are down, so whatever we get in extras is a bigger help than ever before." His top extra is rustproofing.

A Volkswagen dealer in Iron Mountain, Mich., cites a reason for rising "extra" profitability that is seconded by many retailers: "Better marketing effort on behalf of dealership personnel." His add-on leader is rustproofing, not surprising since he's located in a salt-strewn northern climate.

That observation is shared by a dealer in Dubuque, Ia., who declares, "Rustproofing is No. 1 because of high salt-usage and because people are keeping autos longer."

By and large, however, comments written to AUTOMOTIVE NEWS by survey respondents suggest that, more than anything, dealers are stirring up their sales troops:

"Ive demanded increased effort on the part of the sales force," says the president of a dealership in Shelbina, Mo., where financing and insurance are one-two in his after-sale profit making.

A South Dakota dealer, listing financing, leasing and extended warranties one-two-three on his best seller list, says his increase in extra sales is due to "management attitude — we're selling fewer cars but are striving for more gross by selling extras."

In Taos, N.M., a dealer writes that he is discounting new cars to remain competitive, and has "tried to make it up on add-ons by working harder."

Those dealers are part of the

Continued on Page E-2, Col. 3

New-Car Dealer Automotive News Showroom Profits Survey

Question 1. How many new vehicles did your dealership sell in calendar year 1981?

1- 199—23% of dealers responding
200- 399—33% of dealers responding
400- 799—21% of dealers responding
800-1,299—14% of dealers responding
1,300-1,999— 4% of dealers responding
Over 2,000— 5% of dealers responding

Question 2. What type of vehicles do you sell—domestic, import or both?

Domestic —62% of dealers responding
Import —15% of dealers responding
Both —23% of dealers responding

Question 3. Besides vehicles, what are items that contribute to your dealership profits—in order of importance from 1 (most important) to 12 (least important)?

1. Financing vehicles —2.6 average
2. Extended warranties —4.7 average
3. Insurance —4.9 average
4. Accessories —5.1 average
5. Rustproofing —5.4 average
6. Service programs —6.5 average
7. Factory options —6.6 average
8. Leasing —6.7 average
9. Audio equipment —7.1 average
10. Replacement items —7.8 average
11. Coatings/finishes —8.3 average
12. Sealants —8.9 average

Question 4. What percentage of your total showroom profits (including vehicle sales) do the extras above (in Question 3) provide?

0 to 20%—50% of dealers responding
21 to 40%—38% of dealers responding
41 to 60%— 9% of dealers responding
61 to 80%— 1% of dealers responding
81 to 100%— 2% of dealers responding

Question 5. Has the above percentage (in Question 4) increased, decreased or stayed the same the past five years?

Increased —62% of dealers responding
Decreased —16% of dealers responding
Stayed the same —22% of dealers responding

Question 6. Have financing difficulties lost you many new-vehicle sales or limited your add-on sales to any great extent in the past year?

Yes —52% of dealers responding
No —48% of dealers responding

Question 7. Are women or men car-buyers better prospects for add-on sales?

Men —33% of dealers responding
Women —12% of dealers responding
No Difference —55% of dealers responding

Question 8. Will profits at your dealership increase in 1982 over 1981?

Yes —59% of dealers responding
No —28% of dealers responding
Stay the same —13% of dealers responding

Question 9. Will profits at your dealership increase in 1983 over 1982?

Yes —80% of dealers responding
No — 6% of dealers responding
Stay the same —14% of dealers responding

Question 10. Will sales of new cars in the U.S. increase in 1983 over 1982?

Yes —71% of dealers responding
No —14% of dealers responding
Stay the same —15% of dealers responding

The innovations keep on coming, and options lists keep growing

By Roger Rowand
Engineering Editor

Sometimes it seems car makers have gone as far as possible with equipment options. Each year's new offerings seem unbeatable in innovation and variety.

But sure enough, another model rolls around and they've done it again. For the coming year the factories have dreamed up everything from rearview mirrors that automatically dim when hit with bright lights to underseat storage trays.

Here's a roundup of 1983 model options, company by company:

• Ford Motor Co. optional equipment changes and additions are not overshadowed by the many major car-line redesigns.

Those include downsized Ford LTD and Mercury Marquis, new Mustang convertible, aerodynamic Ford Thunderbird and Mercury Cougar and come next spring, compact Ford Tempo and Mercury Topaz, replacements for Fairmont and Zephyr.

New options for Escort/Lynx include a remote-control convex right-hand mirror, remote-release fuel filler door and P175/80R 13 tires.

A TRX suspension level is available A TR styled steel and aluminum wheels will be available with Michelin TRX tires and a handling or TR performance suspension.

Another new Lynx option is a sport seat with mesh headrest.

Under the hood options for Escort/Lynx this year include a 1.6 liter high-output engine including an electronic fuel injection version.

EXP/LN7 have two new engine options—a 1.6-liter multiple port fuel-injected version and 1.6-liter high-output type.

A new 13-gallon fuel tank extends EXP/LN7's driving range to nearly 600 miles.

Other new options are the special automatic-dimming mirror, fuel-filler door and special tires offered on Escort/Lynx.

Mustang for 1983 offers what Ford calls the modern 3.8-liter V-6 engine for the first time. It's for the customer who likes speed and rapid acceleration.

A four-barrel carburetor is added to the big optional engine for Mustang—a 5.0-liter V-8. It brings with it a one-second reduction in the car's zero to 60-MPH time, Ford says.

In mid-year, a newly designed 2.3-liter overhead cam turbo engine will become available with multiport fuel-injection and five-speed manual transmission.

A shift-indicator light is an electronically controlled light on Fords with manual transmissions. It tells driver when to shift to higher gear for reduced fuel consumption. In some applications, an electronic "brain" also shuts off fuel during engine deceleration for added fuel economy.

An optional electronic digital clock with stopwatch function and easier operation is available on several Ford and Lincoln-Mercury lines.

Thunderbird options include an inside rearview mirror that automatically dims when it picks up overtaking headlights, pivoting front-vent windows, a keyless entry system, articulated seats, clearcoat metallic paints, a Tripminder computer and, later in the '83 model year, an electronic-voice alert (talking car) system.

The automatic day/night mirror changes from day to night position automatically when bright lights are aimed at the car's rear window, then returns to day position when bright light is removed. It is available on car lines from Thunderbird and Cougar to Lincoln and Mark VI.

Another unusual option for Thunderbird/Cougar in 1983 is an electronic instrument cluster with an automatic dimming feature.

An electronic eye measures the amount of light in the passenger compartment through a clear window beside the speedometer display and maintains brightness of the readouts at a pleasing level under conditions of bright sunlight, overcast skies and darkness.

Ford's Tripminder computer is available on Thunderbird, Cougar, LTD and Marquis. The compact data center displays time, date, average speed, distance and fuel-related information. The unit will continue to

Continued on Page E-4, Col. 1

Dealers predict upturn in 1983

Continued from Page E-1

62 percent who report extras accounting for a bigger bite of their profits these days. Among comments by the 38 percent who say extra sales are just holding their own or decreasing are these:

Philadelphia, Pa., dealer: "Add-ons are less important to customers than price and quality. Ability to handle monthly payment is the main incentive to buy."

Phoenix, Ariz., dealer: "The proliferation of factory-installed equipment is a two-fold problem. It minimizes our (dealer) selling of options and raises the cost of cars and monthly finance charges."

Brockton, Mass., dealer: "Because of high car prices, people want to keep (monthly) payments as low as possible . . . they can't afford as many extras any longer."

Has difficulty in getting financing hampered sales of new cars or extras at dealerships? Of those surveyed, 52 percent say yes, 48 percent say no, nearly a toss-up.

A Canton, O., dealer who feels the current credit situation causes as much grief as anything, says, "The bank wants to finance less than the dealer invoice, so if a customer comes in with a minimum down-payment, we can't sell him anything over that."

Lafayette, Ind., dealer says, "It's even difficult to handle what I consider financable people. High interest rates elevate payments to the point where add-ons become prohibitive."

It's often reported that women are responsible for an ever-increasing number of new-car purchases because of their expanding role as income providers. But are women or men car-buyers better prospects for add-on sales?

There is no difference, say 55 percent of those surveyed. But 33 percent of the respondents say men are better prospects, and only 12 percent list women.

"Women won't buy extras," says a dealer in Amarillo, Tex. "They cannot afford the extra burden."

"They (women) are 'payment shoppers and border-line customers,' " says a dealer in Lexington, Ky.

A Spokane Wash., dealer says, however, that "men and women customers are passing up options to keep payments down. The minimum deposit of customers often is limited to financing no more than the base invoice."

According to NADA, average profit level before tax for franchised new-car dealers was 1.2 percent of total dealership sales in 1981. With the exception of 1980, it was the worst level of before-tax profits in 20 years.

Dealers figure to do better in 1982 and better still in 1983, according to the Automotive News survey. Of those polled, 59 percent say their dealership profits will climb this year over last year, and 80 percent say 1983 will be better than 1982.

There are a number of reasons for the optimism, including one from a happy dealer in Denver, Colo., who underlines his comment: "We finally got an import franchise in addition to our domestic line, which hasn't been very good."

Others cite declining interest rates, fewer and smaller price hikes, decreased competition (due to dealership casualties in their areas), greater co-op advertising support from auto makers and a general upswing in the U. S. economy as reasons for potentially improved profitability in the coming year.

A dealer in Rhinelander, Wis., says "dimunition of inflation" will help spur sales and profits, hence his "optimism is returning."

In Sacramento, Calif., an import dealer who sells "over 1,000 cars" a year says, "Just get high interest rates down and finance application approvals up, and I'll show you a record year — you can have the aftermarket sales."

"Customers are ready," declares a dealer in Bangor, Me., who is an advocate of the pent-up demand theory.

Two dealers, however, seem to typify their fellow auto retailers in contemplating the question of whether new-car sales in the nation will finally take an upturn in 1983 after four years of decline.

"God, I hope so," says a dealer in Hammond, Ind. "I hope so, I hope so, I hope so."

The second dealer, in Grand Forks, N. D., exclaims, "How in the hell do I know if car sales will increase next year. Do you know?"

Our answer is no, but, God, we hope so, we hope so, we hope so.

Service contract business buoyed by growing public acceptance

By Marc Stern
Staff Correspondent

There's an interesting phenomenon happening in the service contract side of the automotive business. Even though car sales are down, extended service contract sales are holding their own or even increasing a bit.

The reason, according to spokesmen for both factory-supported and independent companies involved in this growing industry, is public acceptance. "It's gaining in popularity because the public understands it covers things not covered by a factory warranty," says Al Thomas, manager of service legislation and Continuous Protection Plan activities for General Motors. "Our penetration is up over 1981 and our sales are also over 1981 and last year was a record for sale. In fact, this past May was one of our biggest months," he noted.

Perhaps the key word here is penetration. More and more, car buyers see an extended service plan as a type of "major medical insurance" for their autos. Thus, dealers are writing more extended service contracts.

Penetration is up at Ford, too. John Dingens, manager of the Extended Service Plan program for Ford Motor Co.'s Parts and Service Division, notes its penetration rate is up over 1981. In fact, he says, "the whole industry is doing well."

Perhaps the biggest obstacle the service contract industry has had to overcome in the last year is the increasing length of factory-backed warranties. Ford's Extended Service Plan has felt the impact of Ford Care, the nearly complete two-year or 24-month warranty offered by the automaker. And, the industry as a whole has felt some impact from the Chrysler Corp.-backed 5/50 extended coverage plan.

However, it seems these moves have been countered by hard work on the part of extended service contract suppliers, whether independent—General Warranty, American or Minnihoma-ADESCO—or factory-sponsored. Because of this aggressive activity, they are gaining ground among buyers of new cars.

The giants of the industry are competing for a lucrative potential market. According to Jerry Farrar, president and chief executive officer of General Warranty Corp., headquartered in Marina del Rey, Calif., the potential market this year is 2.4 million units of which the independents should get a 41 percent share while the factories reap 59 percent.

Putting this into perspective, they are all competing for a near-$1 billion market this year (based on an average sale of $400 per contract).

This situation is quite a change from nearly 10 years ago when there was no service contract industry. The industry was created by the arrival of American Warranty in 1974, and the market remained largely in the hands of the independent industry for the next six years when the factories began to enter it.

That it's a growth market is seen from General Warranty's growth curve. According to Farrar, the company is growing at a 45 percent monthly rate of increase in the number of dealers climbing onto this year-and-a-half-old firm's bandwagon. It now has 1,500 dealers in 44 states and is awaiting word from New York state as to whether it will be certified for business there. It also did $25 million in business last year and was able to turn its first small profit in May of this year, well ahead of schedule. Such is the potential of the market.

American, for its part, is also on a growth binge with its income also reported increasing. So is GM's.

Such expansion, despite lagging car sales, points to increasing awareness the public has of its investment in cars, according to extended service contract spokesmen. It also points out that the public is keeping its cars much longer, is looking for

Continued on Page E-9, Col. 1

Showroom in the living room

TRAVERSE CITY, Mich.—Edward H. Mertz, chief engineer at Buick Division, likes to cogitate factors other than nuts and bolts as he looks ahead. Some of his views on marketing are stimulating, exciting. They were presented at a University of Michigan symposium here.

"Technology will revolutionize how we market our products in the future, through rapid communication of data," he says.

"For example, at Buick, we have a pilot system to explore the possibilities of marketing through technology.

"We have several dealerships on line to a computer at Buick. Through the use of a full color console, a salesman and customer can call up product specifications and information—including comparisons with competitive products.

"But this is just the beginning," he adds.

"In the future, you will be able to shop, and order or buy a new car from dealer stock through your home computer. Holographic technology could even provide the customer with a three-dimensional view of the product.

"I don't know why ordering a new car shouldn't be as easy as ordering a pizza. After all, both are made to order from basic items on the shelf. And, the car could still be warm when you got it home," he said.

Vehicle Service Contract Industry

Total VSC Industry Market Share	Estimated Annual Units	% of Total Market
T. Kearney estimate of 1982 total market including auto makers (GM, Ford, Chrysler)	2,400,000	100%
Factory (GM, Ford, Chrysler) share of total market	1,416,000	59%
Independents share of total market	972,756	41%

Distribution of Independent Market	Estimated Annual Units	% of Total Market
Minnehoma/Adesco	186,600	8%
American Warranty	165,000	7%
General Warranty	119,784	5%
Universal Dealer Services	86,400	4%
Lloyd Anderson	78,480	3%
First American Warranty	76,800	3%
Misc. Regional Companies	259,692	11%

Independent VSC Companies Market Share	Estimated Units Per Month	% of Independent Market
Minnehoma/Adesco	15,550	19%
American Warranty	13,750	17%
General Warranty	9,982	12%
Universal Dealer Services	7,200	9%
Lloyd Anderson	6,540	8%
First American Warranty	6,400	8%
Misc. Regional Companies	21,641	27%
Monthly	81,063	100%
Annually	972,756	

Note: Units are vehicle service contracts sold to consumers. Estimated market shares are based on industry survey of dealers and dealer associations and other sources.

Leading Service Contract Plans

Plan	Insurer	Financial Sponsor	Assets of Financial Sponsor
General Motors Continuous Protection		General Motors Corp.	$34.58 Billion
Ford Extended Service		Motor Ford Co.	$24.35 Billion
GENERAL WARRANTY Continuous Satisfaction	Imperial Casualty & Indemnity Co.	Standard Oil (Indiana)	$20.19 Billion
Chrysler		Chrysler Corp.	$6.62 Billion
Adesco Consumer Protection	Minnehoma Insurance Co.	Foremost Corp.	$0.43 Billion
American Warranty Extended Protection	United Equitable Insurance Co.	United Equitable Corp.	$0.08 Billion ($81 Million)

Source: General Warranty Corp.

General Warranty Corp. was selected recently to administer vehicle service contracts for Avis Licensee Assn., the first independent service contract company to be endorsed by a car rental licensee organization. Pictured following the announcement of the selection are, from left: William C. McPike, executive director, Avis Licensee Assn.; Orval W. Story, chairman, Avis Licensee Assn., and Jerry R. Farrar, president, General Warranty.

Goodbye buzzers, blinking lights

The "talking car of the future" is here today in Ford Motor Co. and Chrysler Corp. showrooms.

For 1983 Ford Thunderbird and Mercury Cougar offer an optional Voice Alert "talking car" driver information and warning system. The option consists of a single electronic module capable of producing preprogrammed warning messages in synthesized speech which, although having an impersonal tone, does have a pleasant human quality.

Ford's Voice Alert delivers the following messages: "The door is ajar" (when the key is in the ignition and a door is partially open); "The key is in the ignition" (when the key is in the ignition and the door is open); "The headlights are on" (when the headlights are on and door is open).

In addition, Voice Alert provides the same warning chime sound as the chime module which it replaces.

Chrysler Corp. for 1983 offers an Electronic Voice Alert (EVA) system in the instrument panel which speaks 11 messages and politely says, "Thank you."

Through a speaker in the radio system, the voice advises the driver about 11 separate mechanical or safety functions. The computer-programmed voice acts on information received from sensors which monitor: Key left in ignition, headlamps left on, door ajar, seat belts unfastened, low oil pressure, overheating engine, electrical system low voltage, parking brake on, washer fluid low and low fuel condition.

A typical message would be: "Your washer fluid is low."

The voice also advises that "all monitored systems are functioning" if no problems are indicated after start-up.

"The EVA is the latest word in convenience features in the automobile," says Richard D. Rossio, chief engineer—body electrical.

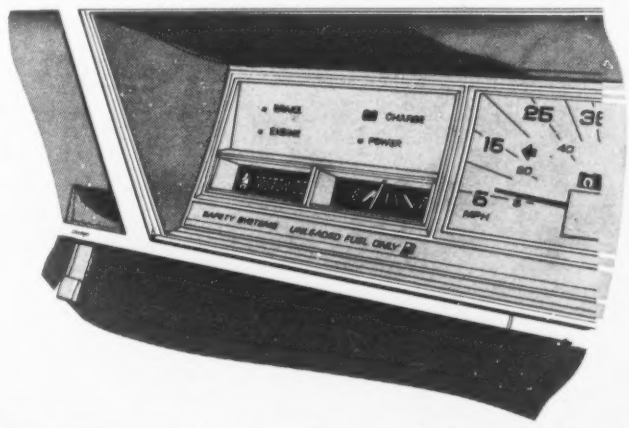
The new feature is standard equipment on 1983 Dodge 600 ES and 400 premium models, and optional on select other models.

The EVA is produced by Chrysler's Huntsville, Ala., electronics assembly plant and was developed in cooperation with Texas Instruments.

The voice delivering the message sounds like a male, but actually is produced by a computer voice synthesizer. "Unlike earlier computerized voice systems, the EVA voice sounds very human," says Jack McDowell, Huntsville project manager. "We began with a professional announcer's voice and recorded and digitized the sounds into an extremely high data rate."

The voice alert controls are contained in an eight-ounce computer center located behind the glove compartment. Measuring four by six by one inches, it includes the computer to survey input sensors and choose the correct message, and the voice synthesizer.

The voice is available in three languages: English (in the U. S.), French or Spanish.



The Electronic Voice Alert Chrysler Corp. option for '83 "tells" the driver when various functions are not operating normally. The EVA lowers the radio volume, sounds a tone and delivers the message in a natural-sounding human voice.

Contracts

Continued from Page E-8

some form of financial protection and is coming to trust the service contract as a low-cost way of protecting a vehicle.

It's also a way the consumer can protect himself against inflation, Thomas believes. For instance, he notes, where else can the consumer have peace of mind for the price of a point-of-sale service contract? Against an investment of about $400 more on the sales contract, the consumer will have extra protection for only a $25 deductible.

"It protects him against the $1,500 repair, even if the car is under warranty," he says.

This type of plan, too, wraps around the normal new-car warranty. It will cover areas that aren't related to manufacturing defects.

"Customer satisfaction is our main aim. We want to bring him back in (to a dealership)," Thomas notes.

Or as Dingens put it, "We try to make our plan as complete as possible by giving the customer more bounce for his buck. It ties him to the dealership and brings him back. We're concerned about a good relationship."

These comments show the service contract industry seems to be stabilizing and maturing following its earlier ups and downs. The industry at one time was characterized by rapid-growth firms and notable subsequent failures. One collapse not only claimed the service contract agent, but also its insurer.

However, the trend seems to have changed, according to General's Farrar. "Much of what happened has changed with the 1981-1982 stabilization of the market. The marginal dealers are out of business," leaving only solidly established businesses, he says.

However, the failures have left their mark. The industry has had to fight attempts in as many as 17 states to prevent legislation tightly controlling it. In those states, legislation tries to equate them with insurance agents. In fact, General picked up the $17.5 million in liabilities from a company which failed. It did so, Farrar says, to help the industry maintain a good reputation.

Dealers, quite rightly concerned with the potential for failure, also have turned to factory-offered programs, which has cut the market share of the independent service contract industry.

One trend that hasn't helped the independent side of the service contract industry is a level of tension and intramural problems between two major firms.

According to Wendell Miller, past president of the National Auto Dealers Assn. and a Binghampton, N. Y. and Florida dealer, "There's no question any type of conflict hurts the general service contract industry as a whole. It can't do it any good whenever dollars are diverted to intramural problems. Then it hurts the industry, especially with rising factory programs. Service contracts are growing and, even though the independents were in it first, as the manufacturers have recognized both the dollar and consumer benefits, they entered the field, and so the independents are going to get more competition. For the industry to grow properly, it must devote time and money to benefiting the consumer. Any diversion has a negative effect."

Miller alludes to a series of legal actions involving American Warranty, with which Farrar was once associated, and General, which Farrar now heads. He also refers to the fact that the independent side of the business no longer has market dominance.

This is something Farrar also recognizes. As he notes, independent service contract providers now account for 41 percent of the market with 59 percent provided by the factories. He hopes independents will claim 45 percent by the end of the year, and he believes independents may be able to hold 60 percent of the market in a few years.

To do this, "the program has to be done properly, it has to gain the confidence and provide better profit for dealers. We use Imperial Casualty, a subsidiary of Standard Oil of Indiana, as our insurer," Farrar says.

A properly administered program, he maintains, is one where "the dealer feels he gets a better deal and where the consumer feels he gets a better deal." If a company in the contract business can't provide confidence and if it's first concern isn't cars, then "it should be in another business," Farrar emphasizes.

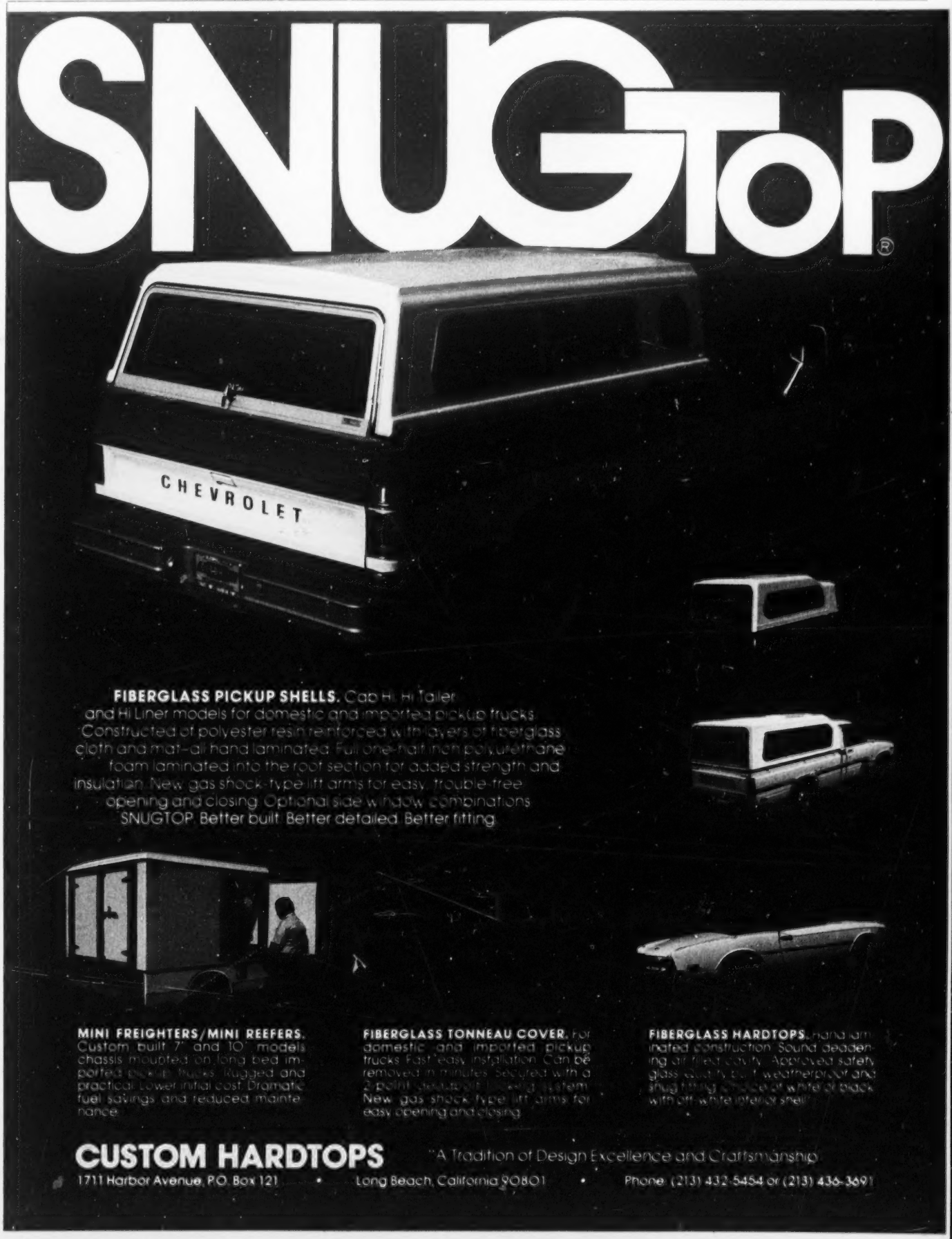
Apparently the major companies are doing a good job. They both inspire confidence in Miller. "I hear positive things about both companies and I wouldn't hesitate to use General or American," he says.

The industry is very viable, he notes, because it provides a consumer service. "The obvious question is to what percentage of the total industry the independents will represent. Ultimately, no one knows what the final market shakeout will look like, he says, but he speculates it may be 50-50.

With all this, a dealer has extra options. However, they are options the dealer must take advantage of. The reason, Miller notes, is that "with decreasing gross profit in cars, after-sale is a necessity. It means you can keep a viable gross profit."

The gross has been further reduced by reduced financial commission opportunities because banks are paying less and less "After-sale is a shining beacon to replace lost grosses," he says.

All in all, however, the service contract market is alive, well, competitive and maturing. In fact, one move General made to further inspire dealer and consumer confidence is to join the Better Business Bureau's consumer mediation and arbitration plan. This way not only the consumer, but the dealer will benefit should a complaint arise.


SNUGTOP®
CHEVROLET
FIBERGLASS PICKUP SHELLS. Cab Hi, Hi Taller and Hi Liner models for domestic and imported pickup trucks. Constructed of polyester resin reinforced with layers of fiberglass cloth and mat—all hand laminated. Full one-half inch polyurethane foam laminated into the roof section for added strength and insulation. New gas shock-type lift arms for easy, trouble-free opening and closing. Optional side window combinations. SNUGTOP. Better built. Better detailed. Better fitting.
MINI FREIGHTERS/MINI REEFERS. Custom built 7' and 10' models chassis mounted on long bed imported pickup trucks. Rugged and practical. Lower initial cost. Dramatic fuel savings and reduced maintenance.
FIBERGLASS TONNEAU COVER. For domestic and imported pickup trucks. Fast easy installation. Can be removed in minutes. Secured with a 2-point locking system. New gas shock type lift arms for easy opening and closing.
FIBERGLASS HARDTOPS. Hand laminated construction. Sound deadening air filled cavity. Approved safety glass. Quality built, weatherproof and snug fitting. Choice of white or black with off white interior shell.
CUSTOM HARDTOPS
"A Tradition of Design Excellence and Craftsmanship"
1711 Harbor Avenue, P.O. Box 121 • Long Beach, California 90801 • Phone: (213) 432-5454 or (213) 436-3691